



Safe. Secure. Sustainable.

# SkyCell Sustainability Report

## Safe Medicine for All.



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## About SkyCell

SkyCell is a prominent service provider that enables the safe delivery of temperature-sensitive medicines worldwide. Our unique combination of hardware, software, and services is the key to our success in preventing damage to vital medicines and vaccines.

By developing and combining hybrid containers, tracking software and risk management service, SkyCell is changing the face of global pharmaceutical supply chains by making them **safe, secure and sustainable**. Our Swiss precision engineering and logistical solutions go above and beyond the international compliance standards of the medical industry, and secure life-saving medicines for all.

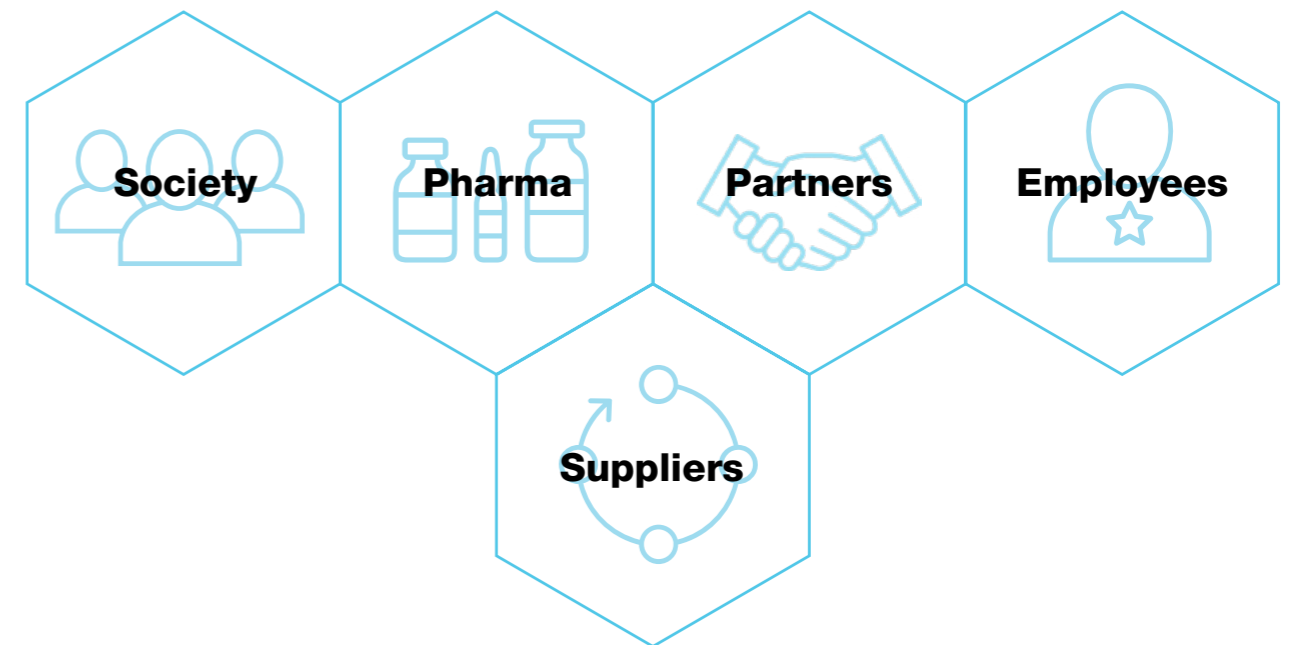
**Reliability**

**Sustainability**

**Innovation**

## Our Values and Principles

SkyCell's core values of Sustainability, Reliability, and Innovation drive our operations and our mindset every day. We are a part of the pharmaceutical supply chain and are striving to make a difference for our stakeholders, who are shown in the image below:



The norms on how we conduct business and interact with each other are specified in our Code of Conduct, which we developed in 2020. It includes forward-thinking policies on integrity and legality, ethical behavior, harassment, human rights, sense of responsibilities, and how we handle possible violations.

Our goal is to have zero violations of this code, and we will continue our best to ensure we live up to our standards. Compliance with our ethical guidelines is the responsibility of our entire team and is reflected in our culture and processes.

The basis of our governance framework is our Internal Control System. This system ensures that our financial transactions comply with legal and ethical guidelines. Furthermore, one of the leading audit companies conducts a full audit yearly to assess this Internal Control System and our financials.

As our company grows, so does our responsibility towards society, employees, and partners. Ensuring that we continuously meet our integrity principles is always a top priority.





## Our Vision

“No loss in the pharma supply chain.”



## Our Vision

At the end of every supply chain is a patient waiting for their medicine to arrive safely and on time. Nevertheless, pharma products worth several billion US dollars<sup>1</sup> are being destroyed every year due to temperature excursions, which occur in the supply chain. The spoiling and delay of medicines put patients in serious danger.

Especially vulnerable to such risks are those living in extreme weather conditions where ambient temperatures are often higher, and the cold chain logistics are not as developed as they are in Central Europe and North America.

Furthermore, the spoiling of medicine leads to a significant waste of resources, since medicines have to be remanufactured and reshipped, resulting in entirely avoidable pressure on the environment.

SkyCell's vision is to eliminate losses in the pharma supply chain and to make safe medicines accessible throughout the world. To reach this goal, SkyCell has developed, and is consistently improving, its hybrid

containers. We offer a unique combination of hardware, software, and services that protect precious life-saving medicines.

To assure safe delivery, SkyCell is GDP certified, provides unique risk management services, and is protected by property rights. SkyCell manufactures its containers in Switzerland to ensure high-quality precision engineering. With an audited temperature excursion rate of less than 0.1% since 2018 and a growing customer base, we are on track to making our vision a reality.



<sup>1</sup> Wildhaber & Stoelzle, Performance comparison of pharmaceutical airfreight containers, 2021

## Our Products and Services

“Can you build a pharma container that maintains +2°C to +8°C at more than +60°C on the tarmac in Saudi Arabia?”

That single question, asked by a pharma supply chain manager after hearing from Nico Ros (CTO) and Richard Ettl (CEO) about a new insulation material, launched SkyCell.

SkyCell is now a major manufacturer of temperature-controlled, door-to-door, container solutions that allow pharma companies to optimize their supply chain by reducing, and even predicting, the risk of delivering sensitive pharmaceuticals by air.

At SkyCell, we bring together big data, software and hardware to transform the decades-old global pharma cold supply chain, using a growing pool of close to 1 billion data points to enable a failure rate of less than 0.1%<sup>1</sup> whilst reducing greenhouse gas emissions by up to 50% (see Climate chapter).

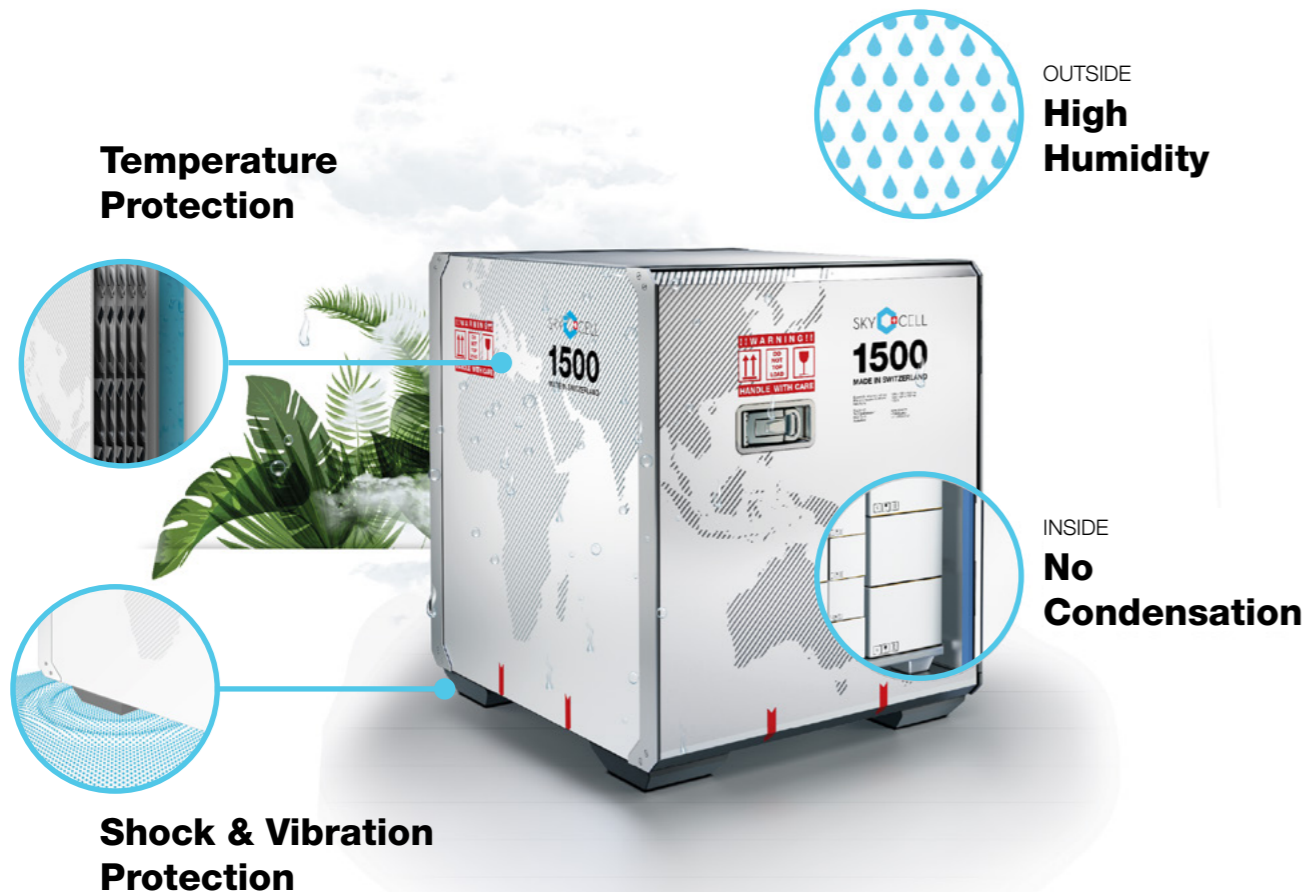
Founded in Switzerland in 2012, the company has been validated by pharma

<sup>1</sup> EY, Report of factual findings regarding quality documentation and temperature deviations of client deliveries, C and CRT containers, 2020

industry leaders. SkyCell plays a prominent role in temperature-controlled air freight solutions, in a market currently worth USD 2.8 billion per annum and growing at a rate of 15-20%.

We focus on designing, developing and implementing hybrid container solutions that meet the high demands of the industry. Through implementing the Precautionary Principle into our process, we can review any potential new products and services to ensure the protection of pharmaceuticals. We can also prevent the disruption of supply chains and cause minimal harm to the environment. This guarantees the safety, security, and sustainability of medical cargo in transit.

SkyCell's portfolio consists of eight container solutions that enable medicines to be delivered in a variety of internal temperatures. Our C and CRT containers maintain internal temperatures between +2°C to +8°C and +15°C to +25°C, while our newest additions, the F and DF, offer colder solutions with internal temperatures of -15°C to -30°C and -60°C to -80°C. We pride ourselves on being able to offer a host of



container solutions that can operate according to all pharma client requirements.

Our containers feature a range of hardware that upgrade and go beyond the standard hybrid design. Shock absorbing feet cushion sensitive vials from vibrations and micro crazes by up to factor 9, while a patented double-door-system decreases the risk of temperature excursions and condensation. These are just some of the ways that we ensure that sensitive medicines and vaccines reach patients in pristine condition.

We also utilize state-of-the-art IoT sensors and data-driven optimization software into our products. Through this, we can build a risk profile, run Lane Risk Assessments, track our containers globally, and ensure optimal, secure shipments.

By applying a Circular Economy into our operational and sustainability processes, we reduce landfill and secure a greener future

with every shipment. All of our containers are leased to clients, leading us to reuse them and guarantee a longer life cycle. Plus, as our containers are built out of >90% recyclable material, we are providing a truly sustainable cold chain solution.

Finally, as members of the HOPE Consortium, a collective of industry related partners committed to working together to distribute vaccines globally, we further demonstrate our commitment to facilitating the whole cold chain process so that those in need of vital life-saving medicines and vaccines receive them on time and in pristine condition. SkyCell is looking forward to unveiling new products in due course and continuing its role as an innovative and major player in the industry.

# About this Report

Our vision of eliminating loss in the pharma supply chain is closely linked to our value of sustainability. This report is dedicated to the sustainability of our global operations and gives a comprehensive overview of the most important sustainability topics that SkyCell is undertaking for the planet and its stakeholders. SkyCell deploys its resources primarily in the three sustainability focus areas of circularity, climate and cooperation to align itself with the UN Sustainable Development Goals. The company particularly supports the following **seven Sustainable Development Goals of the UN**.

Also covered within the report are the targets that we have set ourselves, the most important actions we are taking, and the

results of our efforts towards advancing the sustainable development of SkyCell, its partners, and stakeholders.

Starting off the report is a letter from our Co-Founder and Chairman of the Board, followed by an introduction about the reporting practices. Following on from this is an outline of our material topics, which are our focus areas of sustainability. Last but not least, you will find an overview of our goals and our progress towards them.

The data and information within this report have been pooled from our facilities and operations for the reporting period of 2020.



Sustainable Development Goals of the UN





**Nico Ros**  
Chairman of the Board

## A Message from our Chairman of the Board

### Dear readers,

Sustainability has always played a prominent role in everything that we do at SkyCell. Therefore, it is a pleasure to present to you our first sustainability report.

The past year has challenged us, and the planet, in ways that we never thought possible. As we move decisively into a post-COVID world, we must not forget the duties that we have to safeguarding our planet from the devastating effects of climate change. People and corporations must now decide how they can contribute to prohibiting the worst of man-made disasters. At SkyCell, the planet and society are the key to our vision. At the end of our supply chain, there is always a human being who depends not only on a safe delivery of medicine, but also on a sustainable one.

Therefore, we have developed a sustainability strategy that is centered around our overall vision to have zero loss in the pharma supply chain and to provide medicine for all. Safe medicine means safety for patients as well as caring for the planet and people. This report identifies our three focus areas of sustainability:



### Climate

At SkyCell, our emission reduction targets have been approved by the Science-Based Targets initiative (SBTi)<sup>1</sup>, aptly demonstrating that we belong among the leaders when tackling the issues of climate change. We aim to run solely on renewable energies by the end of 2021 (Scope 1 & 2) and thus reduce our emissions significantly.

Always aware of our responsibility in mitigating climate change, we are strengthening our efforts to reduce greenhouse gases by setting ourselves the goal to become completely climate-neutral by 2040, which includes the entire supply chain (Scope 1-3). We will only use carbon offsets as our last option for unavoidable emissions.

Some emissions, currently, cannot be avoided, such as those emitted during the production of the materials we are using. Therefore, we have invested in high-quality carbon-sequestration projects, which remove greenhouse gases from the atmosphere. Due to internal optimization mechanisms, such as the use of renewable energy, as well as carbon offsets, we have already reached climate-neutral production and operation (all Scopes except 3.9).

However, our goal remains intact: climate-neutrality by 2040 with minimal use of carbon offsets.



### Circularity

As 80% of all pharmaceuticals are transported in one-way solutions, waste is

a huge problem. With plastic polluting our oceans, and landfills filling up, we are implementing a circularity strategy to minimize resource depletion, reduce waste, and avoid landfill. This means we control the cycle by reusing and renting out our containers. Therefore, our containers can be used many times and we can repurpose as many parts as possible from “old” containers to manufacture new ones and repair them. “Old” pieces we don’t reuse get recycled, which results in minimal environmental footprint overall, with no landfill.



### Cooperation

Naturally, we can only reach these goals through strong cooperation. Our employees are key to achieving our goals, and we are creating a diverse environment with many advantages for them to thrive and be part of our unique vision.

Furthermore, we only work with trusted partners and are strengthening our efforts on sustainable procurement by making sure our suppliers and partners share our sustainability vision. Through this, we can be a strong and reliable partner ourselves, and harness a sustainable strategy end-to-end that plays its part in saving the planet.

### Final Note

With the founding of our sustainability department, we are ready to take on new challenges. I hope you will find this report to be an ideal companion in understanding how SkyCell is helping to secure a greener future for us all. Our journey towards sustainable development has only just started.

Kind regards,  
Nico Ros

<sup>1</sup> The Science-Based Targets Initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi provides companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions.



## Reporting Practices

This report is based on the reporting principles of the Global Reporting Initiative. The Greenhouse Gas (GHG) inventory fulfils the requirements of the GHG Protocol and is calculated based on the European Standard EN 16258 as well as the Global Logistics Emission Council (GLEC) Framework. The reporting period is the year 2020 and it includes our material topics as well as reports on ethics and integrity.

This is the very first time that SkyCell has published a sustainability report. Going forward we will publish a report annually to foster transparency in our industry and to continuously improve our sustainability performance.

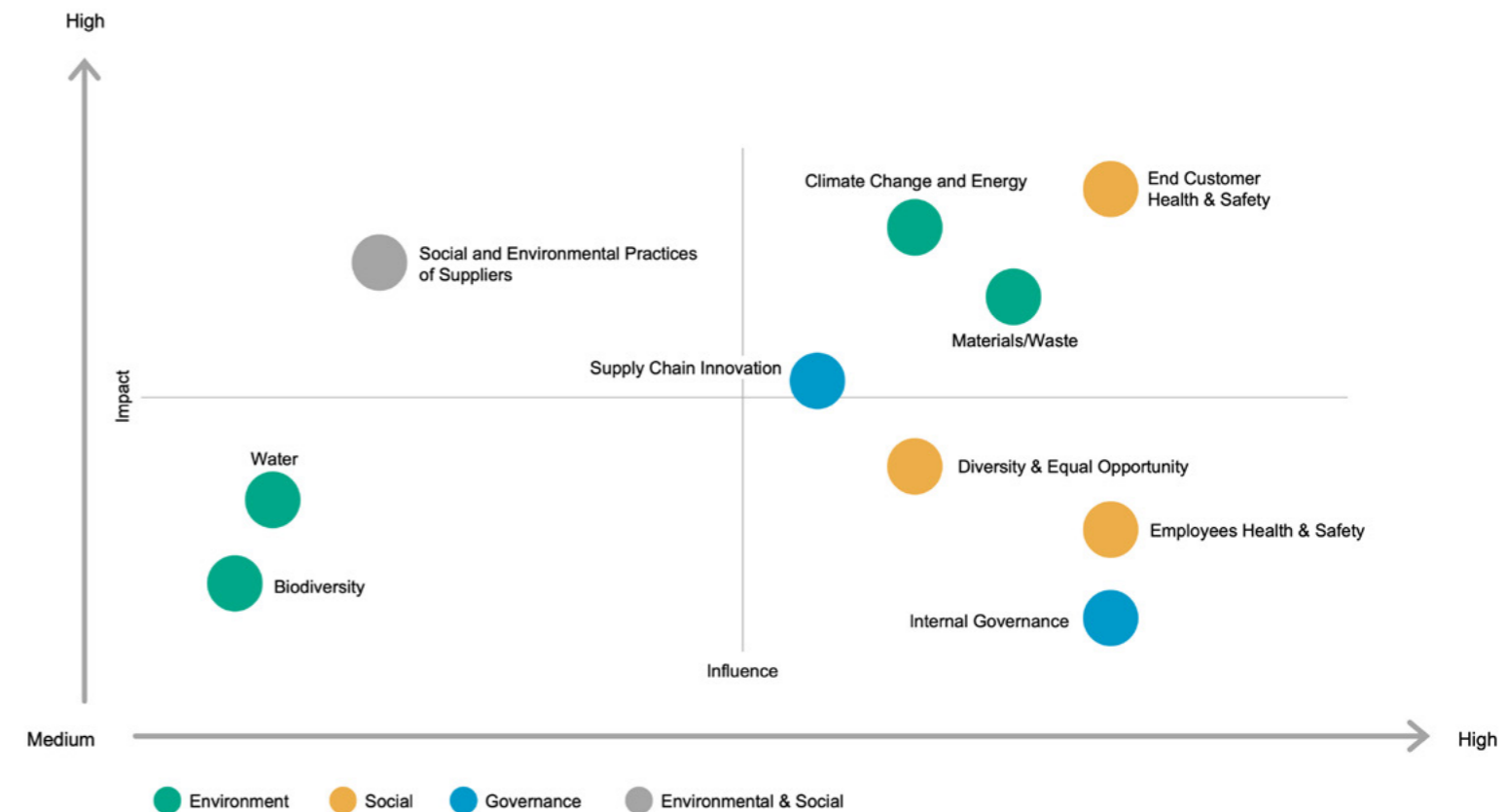
The oversight of sustainability and the publishing of this report lies with SkyCell's Co-Founder and Chairman of the Board, Nico Ros. In 2020, SkyCell founded its sustainability department, which manages the initiatives and oversees the company-wide sustainability programs.

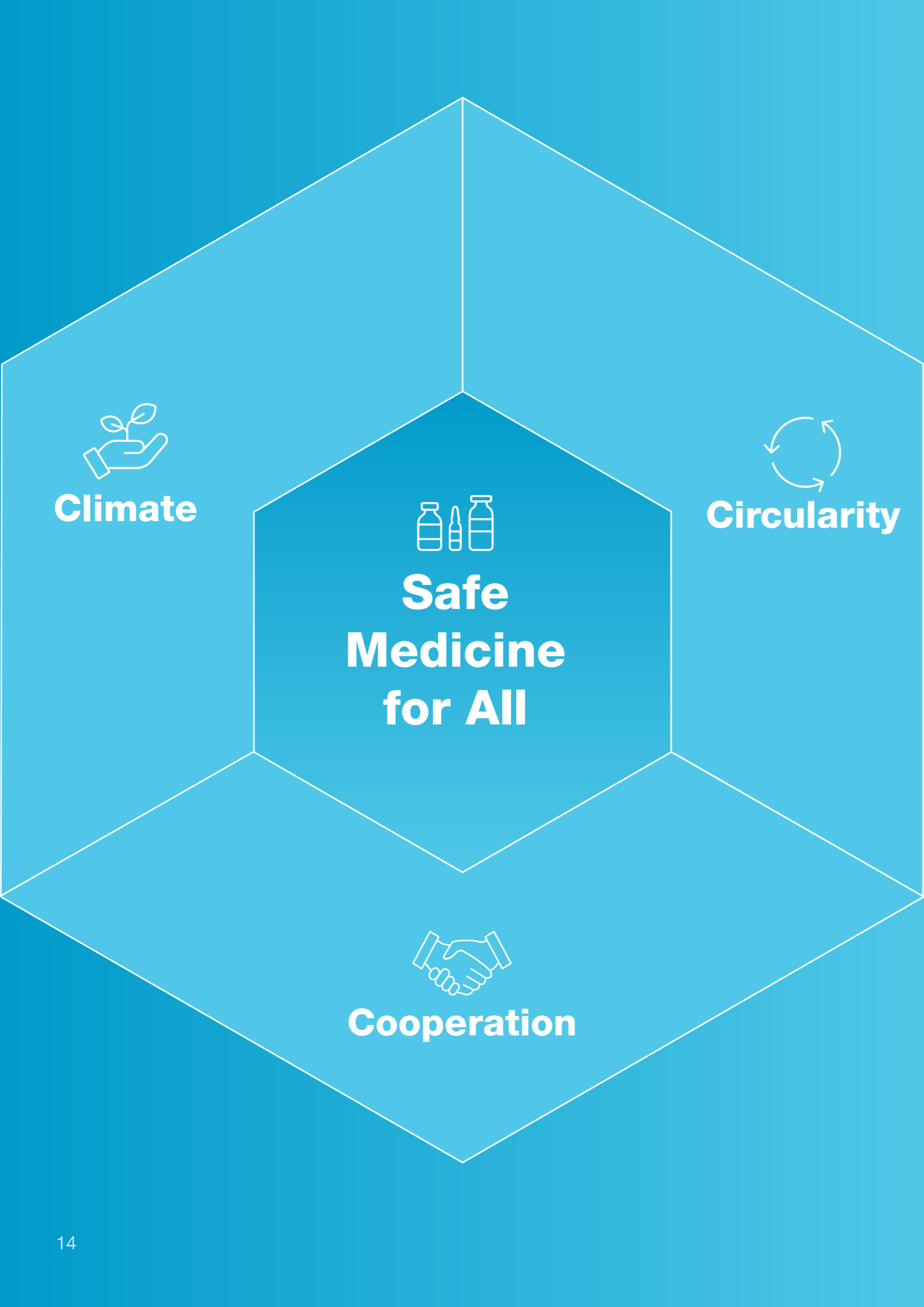
Furthermore, this report and the greenhouse gas calculations have been validated by an independent Swiss consultancy company. Should you have any questions or feedback about this report, please get in touch with our sustainability department at [sustainability@skycell.ch](mailto:sustainability@skycell.ch)

# Sustainability Focus Areas

Sustainability has been a key focus of SkyCell since the beginning. Nevertheless, we revised our sustainability strategy in 2020 to align our goals and strategies with internationally accredited standards and targets. The process was initiated by consulting internal and external stakeholders about their views on the impact SkyCell has on certain sustainability topics as well as how we can influence them too. The following graph shows 10 sustainability topics, which are ranked according to the impact we have on the topics (y-axis) as well as how much we can influence them (x-axis).

Then, the most important topics, as shown in the materiality matrix, were grouped into three focus areas by conducting several stakeholder consultations. The resulting focus areas consist of the most challenging sustainability issues where SkyCell can contribute to sustainable development.





## Climate

### Committed to the Paris Climate Agreement

Through the Paris Climate Agreement, 196 parties committed themselves to the legally binding target to limit global warming to well below 2°C, preferably to 1.5°C. To reach this goal, global greenhouse gas emissions have to reach net-zero by the middle of this century. The pharma industry is more emission-intensive than the automotive industry<sup>1</sup> and SkyCell embraces its responsibility in reducing the emissions of the pharma industry and the global cold chain.

#### Our Policies and Goals

We are committed to Science-Based Targets regarding the reduction of greenhouse gas emissions and have set ourselves ambitious goals. In line with this initiative, we will reduce our Scope 1 and 2 emissions by 50% until 2030.

Furthermore, we will only use renewable energy by the end of 2021 and are consistently improving the efficiency of our services.

#### Our Actions

At SkyCell, we have already taken multiple actions to reduce greenhouse gas emissions and energy usage, of which the following two measures are the most important ones:

1. Optimizing the temperature-controlled cargo volume per aircraft, with an optimal internal-external volume ratio of the containers. This measure reduces the amount of airplanes needed to transport the goods due to more efficient packaging
2. Decreasing the weight of our containers. This action reduces the fuel that the transport vehicles need to carry them.

SkyCell is consistently working on optimizing these two parameters to lower greenhouse gas emissions per transport. Furthermore, we have been using ocean freight instead of air freight more often and are minimizing empty transports.

<sup>1</sup> Belkhir & Elmeligi, Carbon footprint of the global pharmaceutical industry and relative impact of its major players, 2019



Nevertheless, some emissions can't be avoided currently, such as the ones from the production of the materials we are using. We have started the journey towards climate-neutrality by purchasing high-quality carbon credits and removal services, on which we are dependent during this transition phase. To compensate our emissions, we have acquired carbon dioxide removal as well as offset certificates from the following sequestration projects:

- Climeworks: Carbon dioxide removal via direct air capture technology
- REDD+ forest protection and reforestation projects in;
  - Rimba Raya Biodiversity Reserve, Indonesia
  - Madre de Dios, Peru
  - Pará, Brazil

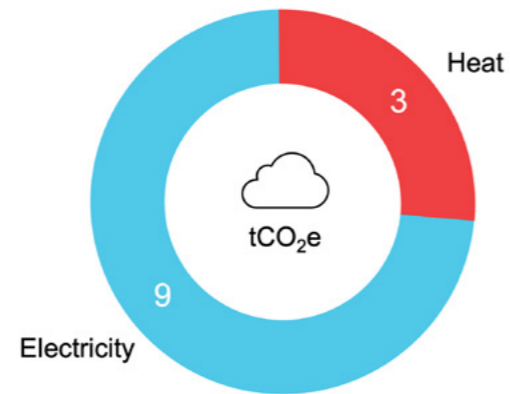
Furthermore, we have implemented measures such as the direct procurement of renewable energies, whenever we control the source. Also, we have installed several energy efficiency measures such as the use of LED lights in our office buildings.

In addition, SkyCell has joined the initiative CEO4Climate, through which we support ambitious policy-making regarding the Swiss CO<sub>2</sub> Act. Furthermore, we cooperate with the start-up Airborn Fuels Switzerland that will manufacture synthetic and climate-neutral aviation fuel out of CO<sub>2</sub> and renewable energy.



### Our Results

We currently do not have any Scope 1 emissions, since we do not have direct sources of greenhouse gases. Our Scope 2 emissions occur due to the use of electricity and heating, but they are minor compared to our Scope 3 emissions.

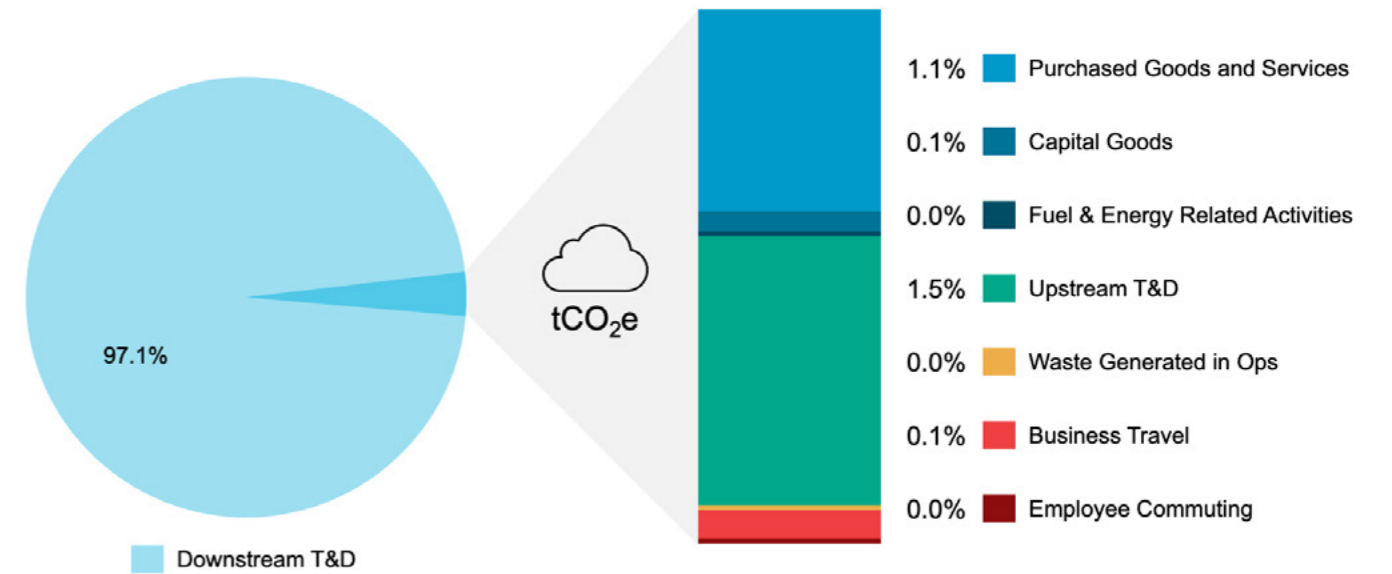


Scope 2 emissions in tonnes of CO<sub>2</sub> equivalent<sup>1</sup> (CO<sub>2</sub>e).

The following graph shows that our Scope 3 emissions are the predominant source of our emissions, which mostly occur during the transport of our containers. The Scope 3 category with the highest emissions is downstream transport and distribution, which consists of the emissions that occur during clients' shipments. This category can thus show the biggest potential for future reductions and efficiency measures. The category with the second-highest emissions is upstream transport and distribution, which consists of internal transports. Another relevant category is purchased goods and services, which includes the materials needed in our production, and the preconditioning of our containers, as well as IT equipment that enable our global operations.

Our efforts to purchase carbon sequestration services have resulted in SkyCell reaching climate-neutral operations in all Scopes and categories, besides the ones created during the downstream transport of our containers. We are aware that purchasing offsets is not a silver bullet, however, they are currently the fastest way to sequester greenhouse gas emissions from sources that are not under our direct control. The achievement of climate-neutral production and operations is a first step on

<sup>1</sup> CO<sub>2</sub> equivalent (CO<sub>2</sub>e) is a metric to compare the impact of different greenhouse gas emissions on the basis of their global warming potential, by converting other greenhouse gases so the equivalent amount of CO<sub>2</sub>.



Scope 3 emissions in tonnes of CO<sub>2</sub>e. The Scope 3 categories, in which we do not have any emissions, are excluded from this graph. T&D stands for Transport & Distribution

our journey towards becoming a completely climate-neutral company, with minimal use of carbon offsets.

SkyCell has only just started the journey towards becoming completely climate-neutral and we are still developing our roadmap on how to achieve it. We will keep our stakeholders up to date on the newest developments of this process.



### Greenhouse Gas Protocol

Greenhouse gas inventories are categorized into three Scopes according to the Greenhouse Gas Protocol.

- Scope 1: Direct emissions.
- Scope 2: Indirect emissions due to the purchase of electricity and heat.
- Scope 3: Emissions occurring in the value chain.

### Radiative Forcing

Airplanes operating in the upper troposphere also contribute to climate change due to the formation of condensation trails and clouds. This leads to additional global warming, not induced by greenhouse gases.

## Uncertainty

Since SkyCell does not operate transport infrastructure by itself, we are dependent on methodologies and emission factors to convert transported goods to greenhouse gas emissions. However, these values are highly dependent on the precise routing and the technology used by the freight forwarder. In addition, the most commonly used methodologies are calculating greenhouse gas emissions based on the weight of the products. This leads to an additional error since the volume also plays a crucial role to calculate the utilization rate of airplanes and trucks.

In addition, international discussions about implementing radiative forcing of air travel into the greenhouse gas calculations standards are ongoing and have not yet concluded. By applying the scientifically recommended factor of two<sup>2</sup>, the CO<sub>2</sub>e emissions of SkyCell would approximately double. We expect the international standards to change in the coming years,

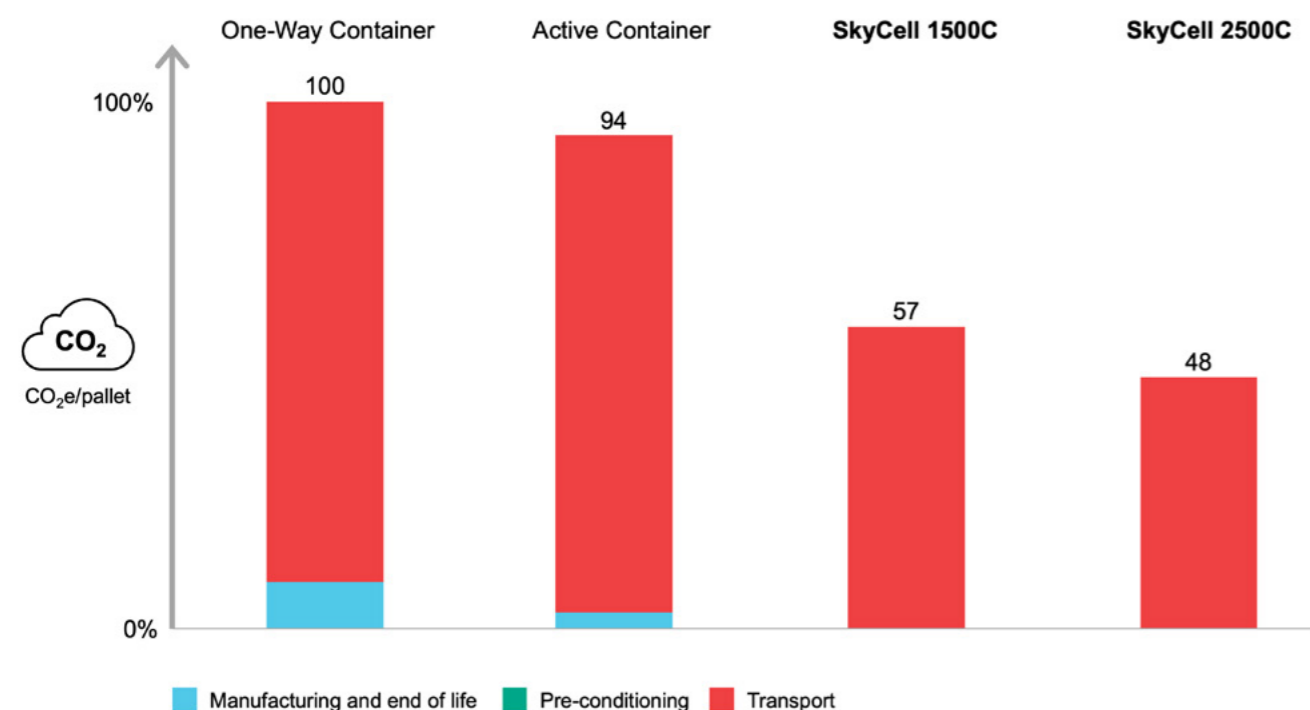
which will have a substantial effect on the presented results.

## Life Cycle Assessment

SkyCell commissioned a life cycle assessment from an independent Swiss climate foundation to identify improvement potential and to compare our products with the ones from our competitors. The results of the life cycle assessment include cradle-to-grave greenhouse gas emissions as well as radiative forcing of air travel (with a factor of 2). The results show the excellent performance of SkyCell's hybrid containers, which emit up to 50% less CO<sub>2</sub>e per transport of 1m<sup>3</sup> of freight volume, compared to conventional<sup>3</sup> containers. The main reasons for this performance are the light materials as well as the optimized internal volume compared to the external volume. Due to the extensive reusability and recyclability of SkyCell hybrids, the climate impact of the production and the end-of-life treatment is only a minor contributor to the overall emissions.

<sup>2</sup> Cox & Althaus, How to include non-CO<sub>2</sub> climate change contributions of air travel at ETH Zurich, 2019

<sup>3</sup> myclimate, 2019, SkyCell — the CO<sub>2</sub>-efficient Alternative to Medicine Deliveries by Air Freight



CO<sub>2</sub>e emitted by transporting 1m<sup>3</sup> of goods with different container types by air freight. The CO<sub>2</sub>e emitted during the preconditioning is only between 0.03% and 0.06% of the total emissions for all container types and is thus not visible in the graph.



## Circularity

### Embracing the Circular Economy

In nature, there is no landfill or waste. Instead, the old life is the source of the new one. A classic linear economy, however, follows the principle of take-make-dispose, which cannot sustain over the long run, since resources are finite. Nevertheless, many pharmaceutical containers follow exactly this linear economy principle: these containers are disposed of after a single use and end up somewhere around the world in a landfill, if not worse, and have to be re-manufactured from scratch for every new transport. At SkyCell, we have chosen a different economic model: The Circular Economy.

#### Our Policy and Goals

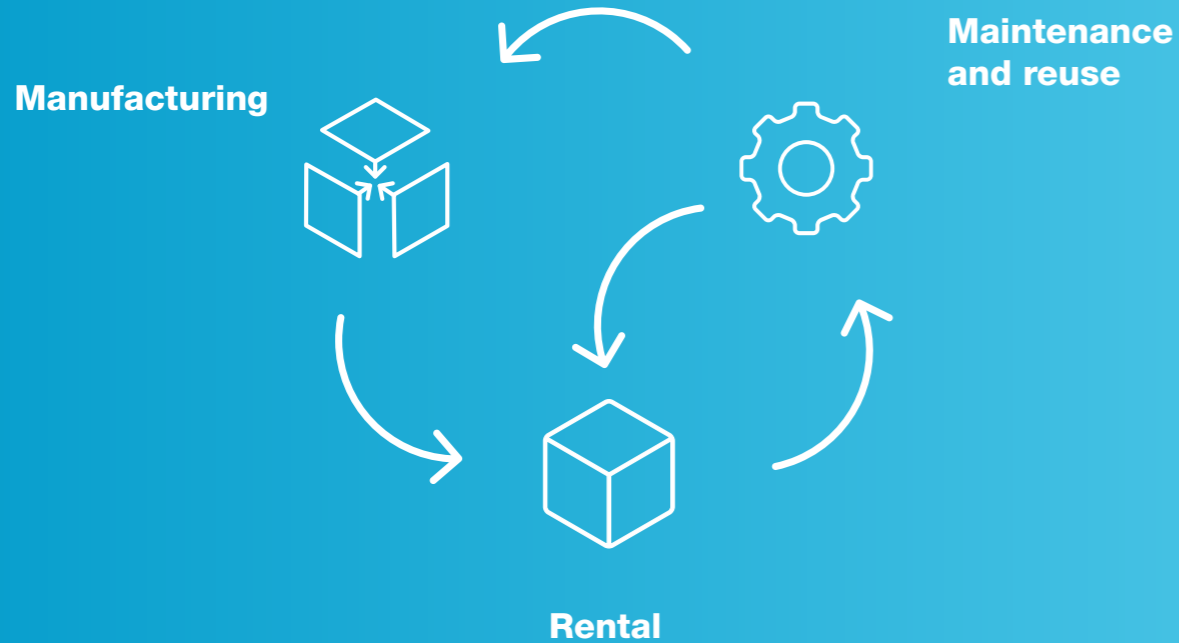
We are embracing the Circular Economy, which means that we do not sell our products but lease them to our clients. This approach allows us to minimize resource depletion and to ensure that no landfill is created by our operations. With this circular approach, we oversee the full life cycle of

our products, which is the key to our Circular Economy strategy. Our goal is to consistently use more than 90% of recyclable materials in the production of our containers. In 2021, we are building an inhouse repair and recycling center, which allows us to perform even more extensive repairs to decrease the need for recycling. This reuse approach will lower our environmental impact even further. For the parts that can't be reused or repaired, we aim at recycling 90% of their total weight. The rest is going to high quality and strictly regulated Swiss waste incineration plants, which produce heat and electricity for the Swiss energy system.

#### Our Actions

The most important action we take, is that we do not sell our containers, allowing us to oversee their entire life cycle. On top of that, our technical departments have consistently ensured that the durability of our products is increasing and that we use recyclable





and, whenever possible, recycled materials. Whenever a container has small damages, we repair them in our service centers to minimize our resource use and energy consumption. The volume of containers, which have reached the end of their use, remains low. Therefore, we were able to recycle these small volumes in a home for disabled people to also include the social dimension of sustainability in our recycling processes.

On top of these approaches, SkyCell has implemented a multitude of measures to optimize resource efficiency throughout our operations. Examples include a project to reuse and recycle temperature sensors and batteries, as well as the development of several apps to minimize paper use within SkyCell's and our partners' operations. To showcase one example, SkyCell has created an app to digitalize the handling and quality control of our containers within service centers.

**Our Results**

Due to our knowledgeable and secure product development, we utilized more than 90% recyclable materials for the products available in 2020. Moreover, due to the excellent reparability and the durability of our containers, we have reached an extensive reusability rate for our hybrids. The challenge we are facing is to continue this top performance with an increasing container fleet and the launch of new product families.

**Cooperation**

Working together to achieve our goals

Fruitful and respectful cooperation is the heart of SkyCell and diversity is a driver of our innovative spirit. This is demonstrated through our strategy which is based on the following three pillars: investing in employees, being a reliable partner, and supplier engagement.

**Investing in Employees**

SkyCell is only as good as its employees. Their dedication and commitment ensure that people receive their precious medicines on time, safely, and with a minimal environmental impact. We are dedicated to providing a vibrant and cultural work environment where employees can reach their full potential, and be respected and valued.

**Our Policy and Goals**

SkyCell's principle is to provide an inclusive, diverse and healthy environment. Our goals are to continually increase employee engagement as well as the health and

safety of our employees. Diversity and inclusion drive innovation at SkyCell, and we are proud of the variety of educational backgrounds and ethnicities working in our company. We will continue to foster this diversity by launching several actions in the near future, such as diversity training and language lunches. Furthermore, we are conducting a salary study for employees working in our Zurich headquarters, to make sure we pay fair and equal salaries.

**Our Actions**

SkyCell has implemented a variety of measures, which led to increased engagement and the health and safety of our employees. For example, in our Swiss headquarters, SkyCell goes above and beyond legal requirements by offering the full salary for 3 months in case of sickness (and only then reducing it to 80%, instead of a direct deduction, as possible by law). Furthermore, there is a paternity leave of 4 weeks that exceeds the official Swiss one by





2 weeks. New mothers get paid fully for the 14 weeks of mandatory maternity leave instead of reducing the pay by 20% as written in the law. To support its employees further, SkyCell offers flexible working hours, a centrally located and brand new office, regular catch-up meetings, after-work events (in 2020 mostly virtually), and up to 10 days of training per year. These measures apply to all employees with a Swiss contract, which is the majority of our workforce. We intend to treat our contractors the same as our employees, whenever possible, and try to offer them the same benefits. Moreover, SkyCell is planning on establishing entities globally to directly employ skilled personnel instead of hiring them as contractors.

#### **Our Results**

We reached the goal of having zero violations of our core values in 2020 and will strengthen our efforts to ensure it will remain the same in the years to come. With the newly established Code of Conduct we guarantee, that the values and rules are known to all our employees and that everyone acts accordingly.

Furthermore, we conducted an external

audit to measure employee engagement and their wellbeing. The result of this audit is extremely encouraging, and we are proud to announce that SkyCell has been certified as a “Great Place to Work”. This certification measures workplace culture by conducting an employee survey - the Trust Index.

How important diversity is for SkyCell is also shown in the statistics. The SkyCell team is made up of people from 27 nations, speaking 32 different languages and with 35% of our employees speaking 3 languages or more. While only 30% of our employees identify themselves as women, we are constantly trying to improve this number. However, the number of women in managing positions shows a different picture, since 36.4% of our line managers are women, a first result of our actions to diversify our workforce and achieve equality.

#### **Being a Reliable Partner**

We thrive on being a valuable partner for our clients and stakeholders because only when we work together and combine our resources, can we reach the maximum benefit for the planet and society. It is essential that others can rely on us so that we can realize our vision to eliminate losses in the pharma supply chain while minimizing the environmental impact. Patients are our predominant stakeholders and we flourish when they can count on us as a trustworthy partner that sustainably delivers safe and secure medicine.

Our aim is to steadily improve the quality of our products and services so that every patient receives their life-saving medicine on time. Therefore, our approach is to be a trusted advisor for our clients to help them navigate the pharma cold-chain.

We will continue to perform at our best and improve our relations, reliability, and trustworthiness by putting 100% of our energies into our services every single day. In addition, we are expanding our quality department to ensure that possible deviations are handled quickly and effectively. To measure and track how we are performing as a partner, we regularly ask our clients to evaluate our collaboration, products, and services.

As a result of our efforts, we managed to expand our business with existing clients and to onboard new ones in 2020. Furthermore, our partner network grew and we started working with additional airlines, freight forwarders and service centers.

#### **Supplier Engagement**

A substantial part of our industry’s welfare, and our environmental impact, is generated through our suppliers and partners. To ensure that our sustainability efforts reach our entire supply chain, we will strengthen our cooperation and work with our partners to embrace sustainable procurement




practices. When working together, sharing data and best practices, reaching a sustainable economy and society become more tangible.


Our goal for 2021 is to establish a policy on how to measure and assess our critical suppliers based on sustainability criteria. After we have created this policy, we aim to analyze all of our critical suppliers by the end of 2023 to make certain our values are harmonized throughout our supply chain. However, we will not only conduct analyses, but we will strengthen our engagement and cooperation to make sure our business actions support sustainable development on all levels, worldwide.

In 2020, we joined the Sustainable Procurement Pledge Community to intensify our journey towards sustainable procurement. Furthermore, we have started building up our internal capacity for this task. SkyCell’s journey towards sustainable procurement and supplier engagement is thus getting started. Therefore, we are looking forward to sharing the results of our aspirations towards a more sustainable pharma supply chain soon.



# Key Performance Indicators and Goals

Material Topics and Vision	Goals	Measures	Status 2020
<b>3 GOOD HEALTH AND WELL BEING</b> 	<ul style="list-style-type: none"> <li>Zero temperature excursions from production to patient</li> </ul>	<ul style="list-style-type: none"> <li>Continuous product innovation</li> <li>Temperature tracking</li> <li>Risk assessment</li> <li>Continuous audit by one of the top 4 auditors</li> </ul>	<ul style="list-style-type: none"> <li>Less than 0.1% temperature excursion</li> </ul>
	<ul style="list-style-type: none"> <li>No loss in the pharma supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Tracking of containers and goods</li> </ul>	<ul style="list-style-type: none"> <li>Less than 0.1% temperature excursion</li> </ul>
<b>7 AFFORDABLE AND CLEAN ENERGY</b> 	<ul style="list-style-type: none"> <li>100% renewable energy by the end of 2021</li> </ul>	<ul style="list-style-type: none"> <li>Use of renewable energy (direct procurement)</li> <li>Purchasing renewable energy certificates</li> </ul>	<ul style="list-style-type: none"> <li>58 MWh renewable energy (51%)</li> <li>56 MWh low carbon energy (49%)</li> </ul>
	<ul style="list-style-type: none"> <li>Decrease CO<sub>2</sub>e-emissions per transport km and pallet &gt;10% per year</li> </ul>	<ul style="list-style-type: none"> <li>Increasing efficiency throughout our operations</li> </ul>	<ul style="list-style-type: none"> <li>Baseline Year</li> </ul>
	<ul style="list-style-type: none"> <li>50% reduction of Scope 1 and 2 emissions without the use of offsets by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy</li> <li>Sustainable heating</li> </ul>	<ul style="list-style-type: none"> <li>12 t CO<sub>2</sub>e</li> </ul>
	<ul style="list-style-type: none"> <li>Climate-neutral by 2040</li> </ul>	<ul style="list-style-type: none"> <li>Continuous reduction of Scope 3 emissions (with minimal use of offsets)</li> </ul>	
	<ul style="list-style-type: none"> <li>Climate-neutral without downstream transport by the end of 2020</li> </ul>	<ul style="list-style-type: none"> <li>Purchasing high-quality offsets from sequestration projects during this transition phase</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> </ul>
<b>13 CLIMATE ACTION</b> 	<ul style="list-style-type: none"> <li>Increase the usability of our containers by 10% per year</li> </ul>	<ul style="list-style-type: none"> <li>Steady quality and durability performance of present and future products</li> </ul>	<ul style="list-style-type: none"> <li>Baseline year</li> </ul>
	<ul style="list-style-type: none"> <li>Zero landfill</li> </ul>	<ul style="list-style-type: none"> <li>Oversee the entire life cycle of the present and future products</li> </ul>	<ul style="list-style-type: none"> <li>Achieved for all current products</li> </ul>
	<ul style="list-style-type: none"> <li>Recycling &gt;90% of the weight of non-reusable parts by 2025</li> </ul>	<ul style="list-style-type: none"> <li>Scaling up the inhouse recycling capabilities for future products</li> </ul>	<ul style="list-style-type: none"> <li>Outsourced recycling</li> </ul>
	<ul style="list-style-type: none"> <li>Decrease the CO<sub>2</sub>e-footprint of our materials 50% by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Replace CO<sub>2</sub>-intensive and heavy materials</li> </ul>	

Material Topics and Vision	Goals	Measures	Status 2020
<b>17 PARTNERSHIPS FOR THE GOALS</b> 	<ul style="list-style-type: none"> <li>Increase employee engagement</li> </ul>	<ul style="list-style-type: none"> <li>Revise employee benefits</li> <li>Training programs</li> <li>Team building activities</li> </ul>	<ul style="list-style-type: none"> <li>Certified by "Great Place to Work"</li> <li>Rule violations: 0</li> </ul>
	<ul style="list-style-type: none"> <li>Increase employee health &amp; safety</li> </ul>	<ul style="list-style-type: none"> <li>Launch a health &amp; safety management system</li> <li>Overtime compensation</li> </ul>	<ul style="list-style-type: none"> <li>Flexible working hours</li> <li>Overtime can be compensated directly</li> </ul>
	<ul style="list-style-type: none"> <li>Increase diversity, equal opportunity &amp; inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Workshops, education, promotion</li> <li>Salary study</li> </ul>	<ul style="list-style-type: none"> <li>% of women as employees: 30%</li> <li>% of women as line managers: 36%</li> <li>Nationalities: 27</li> <li>Languages: 32</li> </ul>
	<ul style="list-style-type: none"> <li>Strengthen trustworthiness &amp; reliability towards partners</li> </ul>	<ul style="list-style-type: none"> <li>Full audit by one of the top 4 auditors</li> <li>External quality audit by one of the top 4 auditors</li> <li>Building up inhouse sustainability capabilities and preparing for future audits</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
<ul style="list-style-type: none"> <li>Assess 100% of critical suppliers based on sustainability by the end of 2023</li> </ul>	<ul style="list-style-type: none"> <li>Initiate a framework</li> <li>Cooperate with suppliers to improve value chain sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Starting 2021</li> </ul>	



# Safe. Secure. Sustainable.

Driven by our mission to provide safe, secure and sustainable pharmaceutical supply chains for temperature-sensitive, life-saving medicines, SkyCell is changing the face of global pharmaceutical supply chains through a combination of hybrid containers, tracking software and risk management service.

## Get in touch with us

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