

Sustainability report

The core of SenzaGen's business revolves around innovative tests and services in non-animal toxicology and efficacy testing. These tests enable companies in several industries to provide safe and effective products while creating better production environments for their employees. As a result, SenzaGen's tests contribute to safe, ethical and more sustainable products reaching the market while also reducing the number of animal tests.

2022 progress

In 2022, SenzaGen's headquarters continued to develop and systematically implement the employee policies relevant in consideration of the Company's size, business and statutory requirements. The basis for this was laid by the situation analysis performed in 2021 and systematic work environment efforts. For instance, the Company created relevant policies for remote working, travel, salaries, and for pensions and insurance.

Good business practices

It is important for SenzaGen to always maintain a high level of ethics in business-related situations. This boosts competitiveness and contributes to a strong reputation. In support of this, the Company has frameworks in place that are based on the fundamental values expressed in the UN Global Compact's ten principles, including a code of conduct. The principles include human rights, working conditions, the environment and anti-corruption, and they provide guidelines for how employees should behave in their day-to-day work and in contact with customers, suppliers, competitors and other external parties. SenzaGen also expects business partners to apply similar standards and principles in their operations and act in accordance with agreed contracts.

In addition to these policies, the Company also has separate anti-corruption directives. The Company has a zero-tolerance policy for all forms of corruption, which includes any kind of bribery.

Quality management system

SenzaGen develops tests and analyzes customer samples in compliance with applicable legislation, directives, standards and regulatory requirements. Therefore, quality and quality management are an integral part of the Company's operations.

SenzaGen's quality management system in Lund ensures that its products and services are developed and rendered in compliance with set requirements and support systematic improvements. The quality management system's foundation is the Company's quality manual, which describes what activities to perform and how to shape processes to assure quality.

The Company's quality policy is an extension of the quality manual and is based on the seven quality management principles of ISO standard 9001. The policy reflects SenzaGen's views on quality, and all employees must follow and integrate the policy into their daily work.

At VitroScreen's laboratory in Milan, a project was in progress during the year to implement a quality management system compliant with ISO 9001 and ISO 13485.

GLP-approved lab operations

To meet both the customer's internal quality requirements and the regulatory requirements for study data used in product filings with regulators like the Swedish Medical Products Agency or the FDA, the Group's lab operations in Lund and Milan are GLP-approved. The approval affirms that the Group has ensured that customer studies subject to GLP requirements can be performed with the quality specified by regulators when the study is used as documentation for regulatory purposes. The approval is assured over time via recurring inspections of the Group's operations by relevant entities.

GLP stands for Good Laboratory Practice and is a quality system of requirements and principles to assure the quality of non-clinical safety studies. What constitutes GLP is defined by the OECD for use as a global standard requirement to ensure high-quality and reliable results for product filings and regulatory approval.

Environmental efforts

SenzaGen's day-to-day work both within and outside of its laboratory operations is not energy-intensive and does not have any significant impact on the environment. Also, the Group's operations do not require any permits under Swedish environmental law. At the same time, SenzaGen advocates for and takes measures to improve the environment in every area possible in line with the UN's principles for corporate sustainability. We aim to always use energy, materials and other resources sparingly.

Our main focus is on following the precautionary principle and meeting the Company's strategic initiatives to create efficient workflows, processes and ways of working with the least possible environmental impact. For example, SenzaGen has procedures in place for chemical and waste management in its lab environment and its Swedish lab operations follow the Swedish Environmental Protection Agency's new digital systems for tracking hazardous waste. Procedures are also in place for energy-efficient technical equipment, digital meetings and source-separated recycling.

Since 2021, the Company's headquarters at Medicon Village in Lund, Sweden has been connected to the science park's new technical energy solution, ectogrid. As a result, the buildings in the area share surplus heat and cooling with one another. The solution disposes of waste heat and is expected to drastically reduce the energy needs of SenzaGen and the other businesses in the area.



Social engagement

The SenzaGen Group gets involved in key social issues in the field of non-animal tests. Initiatives are being pursued in society to reduce, replace and refine animal testing (the Three Rs), with national and international bodies and agencies working to improve animal welfare and to decrease the number of animals used in tests. In the role of experts, several SenzaGen employees participate in a series of working groups to advance broad acceptance of non-animal testing and the Three R Principles:

- Swedish 3Rs Center
- Swedish Fund for Research Without Animal Experiments (Forska utan djurförsök)
- CAAT: Center for Alternatives to Animal Testing in Europe
- ISO 10993 for biological evaluation of medical devices
- OECD Expert Group on Defined Approaches on Skin Sensitization.
- OECD Expert Group on IP issues Test Guidance
- ESTIV: European Society for Toxicology In Vitro
- EU-NETVAL: European Union network of Laboratories for the Validation of Alternative Methods.

Working toward measurable goals with Agenda 2030

SenzaGen plans to identify specific and measurable sustainability goals to track sustainability activities and implement these in the development of its entire business. The UN Global Compact and the UN's 17 global sustainable development goals (SDGs) serve as the foundation for these efforts. SenzaGen's business has a clear link to Goal 3: Good Health and Well-Being, especially target 3.9, which aims to reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

SenzaGen's employees enjoy skills development and a stable workplace, which affects Goal 4: Quality Education and Goal 8: Decent Work and Economic Growth. By engaging in systematic efforts to minimize the risk of corruption, we contribute to strengthening the rule of law and promoting human rights in Goal 16: Peace, Justice and Strong Institutions.

A stimulating workplace

For the SenzaGen Group, its employees are its most valuable resource. Their well-being, engagement and skills are essential to good performance, high-quality work and the Company's growth. In this area, our focus is on skills development, corporate culture, health and safety.

The right skills and capabilities

Recruiting and retaining qualified and skilled employees is essential to realizing the Company's business strategies. The right experience and engagement along with efficient ways of working are key components of the Company's ongoing growth. SenzaGen frequently plays the role of problem solver for customers, which requires creativity and employees with a high level of business know-how and technical expertise. In addition, processes and work tools must be efficient.

Culture and values

To succeed in its mission, SenzaGen aims to create a culture where every employee is given the opportunity to develop, influence their own work situation and maintain a good work-life balance to avoid stress and illness. To create a strong and sustainable culture, both managers and employees must actively work to establish and maintain the culture envisioned by the organization. An open and transparent corporate culture builds trust, which in turn increases efficiency and opportunities within the organization.

Health, safety and equality

As a responsible employer, the SenzaGen Group does everything it can to promote diversity and good health. SenzaGen seeks to offer a healthy and safe work environment with good working conditions where everyone has equal rights and opportunities and is treated equally in terms of working conditions and terms of employment. All Group employees have employment agreements that comply with national legislation and regulations. In addition, the Company has an established framework with a code of conduct based on the UN human rights that serves as a complement to local legislation and regulations as well as policies for the work environment, for gender equality, and for harassment and discrimination.

To promote health, SenzaGen offers its employees in Lund a wellness allowance, health checkups and disability insurance benefits. Questions of well-being, job satisfaction and perceived health situation are taken up during the Company's annual performance reviews. The rate of absence due to illness is low at SenzaGen's headquarters but is continuously analyzed to discover changes.

Four new employees were added during the year, three of which via the ToxHub acquisition. At the end of the year, the number of Group employees was 35 (31), 24 were women (19) and 11 were men (12).



THE GROUP

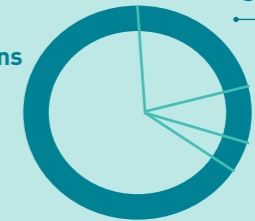
Area of work

Research & Lab Operations
66%

Marketing & Sales
20%

Regulatory Advisory
9%

Administration
6%



Gender and education

Women
69%



Men
31%



PhDs
34%

