

— we help people
achieve healthy skin



Environmental performance report 2017

LEO Pharma A/S — Manufacturing sites

LEO[®]

LEO mission

— we help people
achieve healthy skin

LEO vision

— we are the preferred
dermatology care
partner improving
people's lives around
the world



Environment & Safety

At LEO Pharma, we are committed to reducing the impact our business activities have on the environment. Protecting and preserving the environment is an integral part of our daily business. This report only deals with the environmental performance. Please refer to the CSR report for information about the safety performance.

Focus areas

LEO Pharma impacts on the environment mainly through our production activities, which take place at six different manufacturing sites.

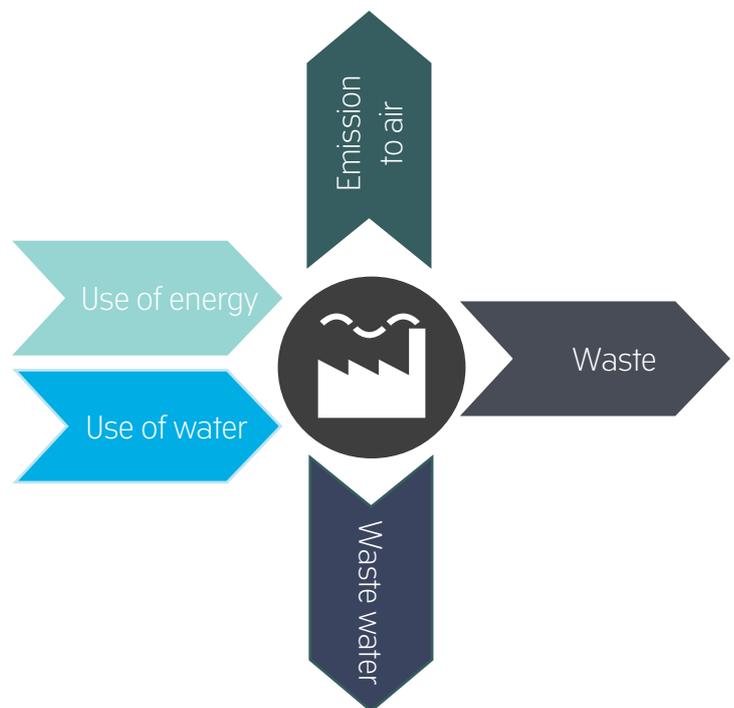
LEO Pharma's main impacts on the environment are use of energy and water; generation of waste and waste water; direct and indirect emissions of greenhouse gases and other emissions to air.

This report describes the environmental performance of LEO Pharma and is a supplement to the CSR report. The criteria on which the most significant environmental impacts have been selected are described in the reporting approach section of the CSR report.

Note that the reporting period of data is different from the CSR report and this report covers an entire calendar year.

As regards LEO Pharma Southport, the project to undertake a new product and implement a new process on site was terminated in 2017 and production was shut down. Therefore, except for energy and water data, Southport production data 2017 are not part of this report.

LEO Pharma's environmental and energy impact





Input

USE OF RAW MATERIAL

Total consumption at LEO Pharma's manufacturing sites (tonnes)

	2013	2014	2015	2016	2017
Organic solvents	1,531	1,553	1,857	1,783	1,736
API	38	29	44	65	27
Agricultural products	80,748	68,120	69,013	64,182	67,993
Acids/bases	383	287	329	353	391
Gels and filter material	19	16	16	16	15
Other organic compounds	1,226	1,568	1,680	1,306	1,441
Inorganic substances	5,444	4,536	4,680	4,372	4,348
Detergents	32	31	36	24	23
Total in tonnes	89,421	76,141	77,655	72,101	75,973

ENERGY

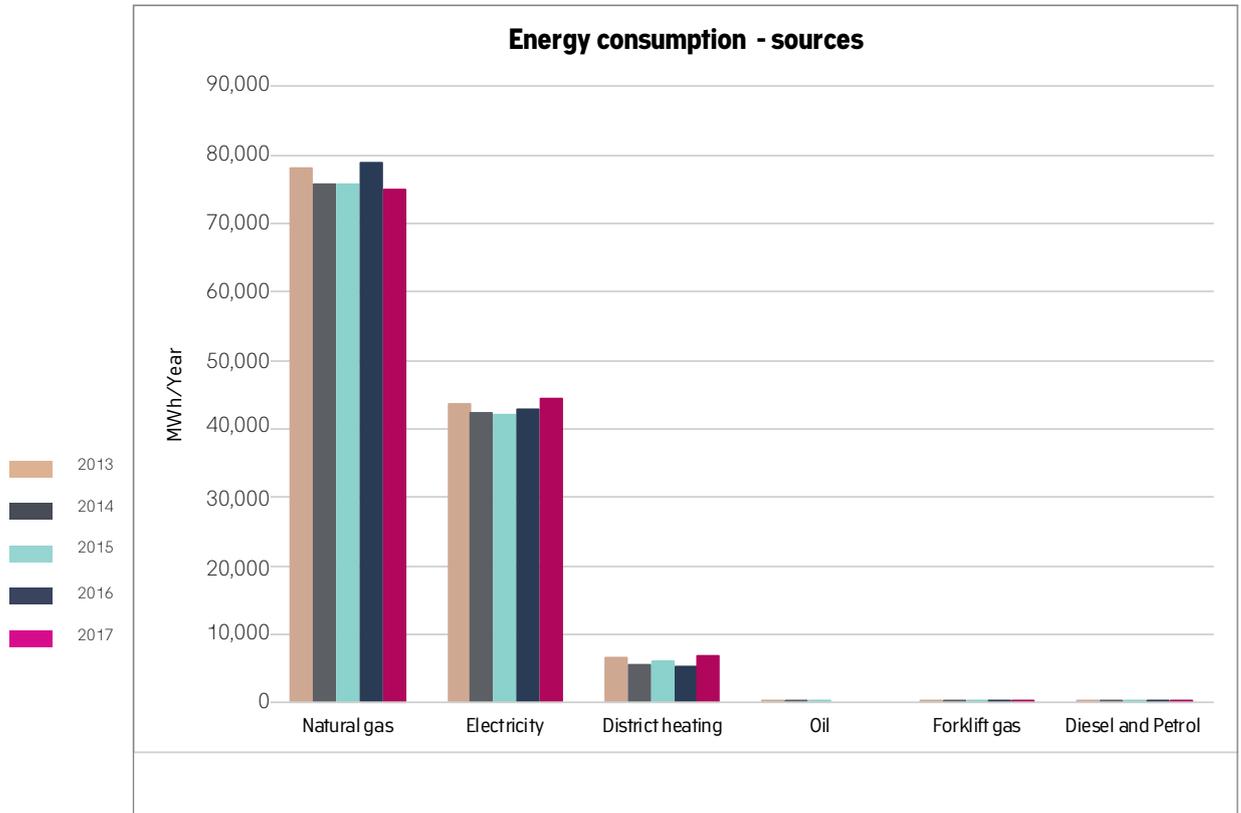
Total consumption of energy at LEO Pharma's manufacturing sites (MWh)

	2013	2014	2015	2016	2017***
Ballerup	66,898	63,122	63,468	67,643	66,044
Esbjerg	6,236	5,395	5,149	4,637	4,312
Vernouillet	16,786	16,705	16,227*	16,841	16,408
Cork	6,917	7,012	7,318	7,166	6,885
Dublin	30,260	30,296	28,960	30,064	31,264
Southport	1,608	1,548*	1,567	1,022	1,415
Total in MWh	128,705	124,077	123,902	127,373 **	126,328

*Figure has been changed compared to the 2014 and 2015 report due to a calculation error.

**Figure deviates from the one in the CSR report 2016 since the figure in this report includes forklift gas, oil, diesel and petrol.

***Figures deviate from the figures in the CSR report 2017 due to different reporting periods.



WATER

Total consumption of water at LEO Pharma's manufacturing sites (m³)

	2013	2014	2015	2016	2017
Ballerup	174,454	146,698	159,524	165,035	160,956
Esbjerg	22,589	19,905	17,122	16,857	14,858
Vernouillet	36,719	44,328	41,990	31,285	26,123
Cork	55,114	49,402	46,020	83,657	42,634
Dublin	53,890	52,539	56,237	61,585	58,769
Southport	4,186	4,439	1,303	1,768	1,030
Total in m³	346,952	317,311	322,196	360,187	304,370

Significant drop compared to 2016. However, the 2016 figure was high due to a water leak in Cork.



Output

PRODUCTS

Total amount of products at LEO Pharma's manufacturing sites (tonnes)

	2013	2014	2015	2016	2017
Ballerup	1,259	1,208	1,037	841	626
Esbjerg	11	9	9	8	8
Vernouillet	1,104**	1,212**	1,212**	1,425	1,310
Cork	15	13	13	13	14
Dublin	2,504	2,850	2,997	3,114	2,710
Southport	*	*	*	*	n/a
Total in tonnes	4,893	5,292	5,268	5,401	4,668

The production volume includes packaging

*Production output is confidential

**Figures have been changed compared to previous reports since the data received was not correct.

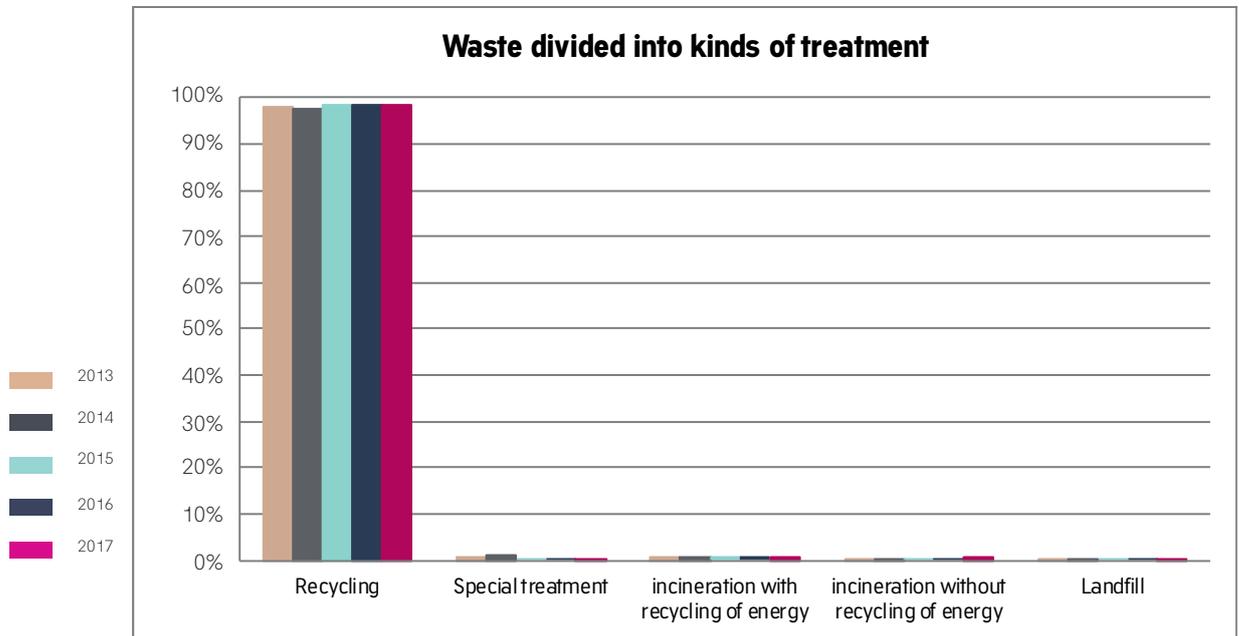
WASTE

Total amount of waste generated by LEO Pharma's manufacturing sites (tonnes)

	2013	2014	2015	2016	2017
Ballerup	2,326	2,149	2,407	2,770	2,527
Esbjerg	94,149	82,117	77,797	73,963	65,996
Vernouillet	581	542	735	765	632
Cork	151	97	90	115	88
Dublin	743	793	908	929	976
Southport	811	833**	1,009	427	n/a
Total in tonnes*	98,761	86,531	82,948	78,969	70,219

*Construction and project related waste is excluded.

**The figure has been changed compared to previous reports since the data received from the company collecting the waste was not correct.



The high recycling percentage is mainly due to the process in Esbjerg where the residual waste is recycled as farm land fertilizer or for biogas production (app. 20%).

WASTE WATER

Total amount of waste water being discharged at at LEO Pharma’s manufacturing sites (m³)

	2013	2014	2015	2016	2017
Ballerup	153,816	107,952	131,953	144,545	136,646
Esbjerg	10,167	9,995	9,339	9,920	8,988
Vernouillet	44,718	44,260	51,989**	29,917	31,698
Cork	35,119	23,369	22,231	33,224	39,839
Dublin	47,524	41,968	45,843	49,219	52,197
Southport*	622	413	380	158	n/a
Total in m³	291,966	227,957	261,735	266,983	269,368

*Only sanitary waste goes to sewage. The amount is not measured.

**In previous reports, the hypothesis was that the flow meter showed a false reading because the waste water pipes were sometimes blocked causing the water to rise. However, the true cause of the large volume was a counter slope on the wastewater system. This counter slope was causing a counter flow resulting in overcounting of the volume of wastewater. The wastewater system was repaired at the end of 2017.

The increase in Cork is due to issues that required surface water directed to effluent until March 2017.



Overall chemical oxygen demand (COD) from LEO Pharma's manufacturing sites (tonnes)

	2013	2014	2015	2016	2017
Ballerup	349	182	276	239	366
Esbjerg	76	70	67	96	87
Vernouillet	6	6	10	9	9
Cork	9	7	9	11	14
Dublin	19	22	21	17	17
Southport	n/a	n/a	n/a	n/a	n/a
Total in tonnes	459	287	383	372	493

Overall total organic carbon (TOC) from LEO Pharma's manufacturing sites (tonnes)

	2013	2014	2015	2016	2017
Ballerup	116	61	92	80	122
Esbjerg	25	23	23	32	29
Vernouillet	2	2	3	3	3
Cork	3	2	3	3	0
Dublin	3	7	7	6	6
Southport	n/a	n/a	n/a	n/a	n/a
Total in tonnes	149	95	128	124	160

The COD and TOC calculations in Ballerup vary from year to year since they are based on 6 measurements of 24 hours resulting in some uncertainties as production varies.

AIR EMISSIONS

Emission of organic solvents to the atmosphere from the production (tonnes)

	2013	2014	2015	2016	2017
Ballerup	11.4	10.7	7.7	5.2	60.0
Esbjerg	0	0	0	0	0
Vernouillet	1.8	3.1	8.2	3.9	3.5
Cork	n/a	n/a	0	0	0
Dublin	n/a	n/a	n/a	n/a	n/a
Southport	0.6	1.2	0.5	n/a	n/a
Total in tonnes	13.8	15.0	16.4	9.1	63.5

The higher emission is caused by too few regenerations of the carbon filter used in Ballerup. The regeneration has been changed from every 60 hours to every 25 by end of 2017.

Emission of the greenhouse gas carbon dioxide (CO₂) (tonnes)*

	2013	2014	2015	2016	2017
Ballerup	6,128	5,667	5,798	6,334	6,168
Esbjerg	1,107	965	939	996	789
Vernouillet	1,633	1,641	1,778	1,739	1,637
Cork	770	790	851	840	866
Dublin	6,107	6,100	5,758	6,034	5,796
Southport	470	440	457	n/a	n/a
Total in tonnes	16,215	15,603	15,581	15,943	15,256

*Direct emissions from natural gas consumption corresponding to scope 1 in the Greenhouse Gas Protocol (World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) GHG Protocol)



Emission of NO_x (tonnes)

	2013	2014	2015	2016	2017
Ballerup	4.7	4.4	4.5	4.8	4.5
Esbjerg	0.8	0.7	0.7	0.7	0.6
Vernouillet	0.0	1.8	0.7	0.8	0.7
Cork	0.4	1.4	1.5	1.5	1.5
Dublin	10.7	10.8	10.2	10.7	10
Southport	0.4	0.4	0.4	n/a	n/a
Total in tonnes	17	19.5	18.0	18.5	17.5

Emission of SO₂ (tonnes)

	2013	2014	2015	2016	2017
Ballerup	0.03	0.03	0.03	0.04	0.03
Esbjerg	0.01	0.01	0.01	0.03	n/a
Vernouillet	0.02	0.02	0.02	0.03	0.03
Cork	n/a	n/a	n/a	n/a	n/a
Dublin	n/a	n/a	n/a	n/a	n/a
Southport	0.08	0.09	0.09	n/a	n/a
Total in tonnes	0.14	0.15	0.15	0.10	0.06

Emission of ozone-depleting substances (ODS) (Combination of R407c, R134a, R404a, R410a) (tonnes)

	2013	2014	2015	2016	2017
Ballerup	0.1050	0.0390	0.0450	0.0470	0.0220
Esbjerg	0.0000	0.0000	0.0000	0.0000	0.0000
Vernouillet	0.0000	0.0000	0.0042	0.0000	0.0000
Cork	0.0000	0.0000	0.0000	0.0000	0.0000
Dublin	0.0503	0.0020	0.0605	0.0723	0.0000
Southport	n/a	n/a	n/a	n/a	n/a
Total in tonnes	0.1553	0.0410	0.1097	0.1193	0.0220

ENVIRONMENTAL INCIDENTS

Number of environmental accidents/incidents reported to the authorities

	2013	2014	2015	2016	2017
Ballerup	18	5	5	4	5
Esbjerg	0	56	40	24	4*
Vernouillet	3	4	3	0	0
Cork	10	5	4	2	2
Dublin	6	8	6	4	3
Southport	1	0	0	0	n/a
Total	38	78	58	34	14

A new waste water discharge consent was obtained in 2017 and there has not been any exceeding of the new waste water discharge consent. The previous exceedings have not had any environmental impact as the waste water treatment plant can easily treat the waste water before outlet to the environment. This is also the reason why LEO Pharma is now allowed to have a higher concentration in our outlet.

COMPLAINTS

Number of complaints received by LEO Pharma manufacturing sites

	2013	2014	2015	2016	2017
Ballerup	0	0	1	3	1
Esbjerg	0	0	0	0	0
Vernouillet	0	0	0	0	0
Cork	0	0	0	0	0
Dublin	2	0	0	0	1
Southport	0	0	0	0	n/a
Total	2	0	1	3	2

The complaint in Ballerup was a complaint about odour related to the Fucidin production. The odour does not constitute any risk to the environment. The one in Dublin was caused by a single incident with a high level alarm sounder on an effluent tank.

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LEO Pharma A/S
Industriparken 55
2750 Ballerup
Denmark

Phone +45 4494 5888
CVR no. 56759514
www.leo-pharma.com

