



The Orifarm Group Policy for Corporate Social Responsibility (CSR)

CSR purpose

At Orifarm, we are aware that we have a social responsibility and we are committed to make a difference in a responsible way, in our surrounding societies and in the field of pharmaceuticals.

As an international company, we have a natural obligation to manage our business in a profitable and sustainable way, showing consideration for people and environment and engaging in the community we are a part of. To us, acting responsibly means to have a sustainable business and management, where social, environmental and ethical considerations are integrated in production, processes and dialogue.

The Orifarm Group CSR policy summarizes our views and standards and explains our fundamental attitude and contribution to social responsibility. It is rooted in our four core values *Responsibility, Ambitions, Flexibility* and *Customers*. The values form the cornerstones in our company guide us in our decisions and in our daily behavior. Together, the CSR Policy and the values form our ethical compass.

In addition, the CSR policy describes the guidelines that Orifarm has determined for a continuous development of the company's CSR, thus ensuring a targeted and relevant effort, recognizing that social responsibility changes in line with the society and development in general.

Orifarm is a signatory to United Nations Global Compact and its ten principles. Through this Policy and our Supplier Code of Conduct, we aim at implementing the principles within our business and supply chains in the coming years.

CSR efforts

The Orifarm CSR efforts and execution ensure compliance with the Danish Financial Statement Act § 99 a and b. We have identified areas in which we have the possibility to positively impact a sustainable development or are at risk of impacting human rights, labour rights, climate and environment in a negative way or being complicit to corruption and bribery.

Our CSR efforts are aligned with the UN Global Compact Principles and we strive at pursuing the goals and standards mentioned in the UN Guiding Principles for Human Rights and Business and the OECD guidelines for multinational enterprises.

Our CSR efforts encompass:

Human rights

In all Orifarm operations and activities, we respect human rights and avoid infringing the human rights of involved individuals.

We believe that through our product we may contribute in a positive manner to the human rights to health and wellbeing by paving the way for accessibility to affordable and high-quality medicine for all.

To reduce the risk for setting aside relevant human rights for our business, we ensure compliance with human rights related legislation, and identify actual and potential risks from activities in our business units and facilities. Identified risks that are directly linked to our operations and to the services of our business partners are mitigated and prevented.

In Europe we thus have a focus on privacy and protection of personal data throughout the Group, covering both the data of consumers, employees and business partners.

Labour rights

It is important to us that sustainable management is visible in all parts of our organization. To achieve this, we have a strong and continuous focus on taking good care of our employees and to create a motivating environment, where our employees thrive and develop.

We value being a social and friendly organization that accommodates diversity. Diversity in Orifarm is about recognizing employees because of, not despite of the fact that they are different. We see the potential of each employee and create opportunities for everyone to develop at work, irrespective of their gender, ethnicity, disability or other personal characteristics. Diversity thus provide us with an opportunity to share experiences and gather learnings across different cultures and to transform this knowledge into a competitive advantage.

The well-being and motivation of our employees is dependent on a healthy and safe workplace. To ensure this we comply with legislation and collective agreements on fair wages, rest and leisure, equal remuneration for men and women, anti-discrimination and equal opportunities in access to employment and career.

In our supply chain and with other business partners we are committed to identify and mitigate or eliminate any risk for infringing the right to freedom of association and to collective bargaining. We are also committed to eliminate all forms of forced and compulsory labour and to effectively abolish child labour.

Climate and environment

It is our aim to contribute to a better environment by ensuring that environmental concerns form a natural part of all our activities. This includes a precautionary approach to environmental challenges and promotion of environmentally friendly technologies internally in the Group and among business partners.

Orifarm affects the environment primarily through the consumption of energy and resources in our buildings and for transportation, but also via our production. We therefore constantly work to reduce our energy consumption and emissions, and improve waste management. We apply a systematic approach to environmental management and comply with all legislative requirements.

To minimize environmental impact, we have incorporated an environmental policy throughout the whole organization that guides us on how to take care of the environment in daily life.

Anti-corruption

Orifarm places great emphasis on being a good and competent partner for our stakeholders. Part of this involves working against corruption and to promote good business ethics.

Our anti-corruption effort includes prevention of extortion and bribery and is carried out in compliance with international standards. In our **Supplier Code of Conduct** our suppliers and business partners are requested to support and respect anti-corruption principles. At the same time we conduct risk assessments and mitigations plans as an integrated part of our business planning and operations.

Partnerships and dialogue

Dialogue and cooperation with business partners and stakeholders form an integrated and vital part of Orifarm.

Involvement in the national and European political arena gives us the opportunity to promote the development of affordable solutions for pharmaceutical care and to societal savings related to our two business areas; parallel import and generics.

Moreover, we engage in dialogue with local communities, NGO's, universities and public think-tanks contribute to growth, employment and health initiatives.

CSR Organisation and Management

The management of CSR in Orifarm is based on the

- UN Global Compact Management Model and its focus on executive management commitment,
- CSR risk assessments,
- Our CSR strategy and policy,
- Implementation through activities and adjustment of practices,
- Measuring and monitoring achieved progress and impact, communication and reporting.

The CSR policy is implemented through procedures and guidelines adopted by management.

CSR related risk assessments are carried out as part of a specific CSR due diligence process.

Data on CSR related results and impact is reported by relevant business areas to the daily CSR responsible based on a set of CSR KPIs adopted by the management.

CSR reporting and communication

The daily responsible will report and communicate on CSR achievements to executive management and employees.

The annual CSR report demonstrates how the CSR policy is transformed into activities and results, including the results of risk assessments and steps taken to prevent, mitigate or eliminate CSR related risks, as well as applied indicators (KPI's), achieved results and expected progress. Main results are also integrated in the Group annual financial report.

The CSR policy is communicated internally to the employees and externally to other stakeholders, via internal communication channels and Orifarm's corporate website.

Grievance Mechanisms

Orifarm provides internal and external stakeholders with the option of reporting illegal or unethical behaviour, including behaviour and practices that do not comply with the social responsibility of Orifarm to respect human rights and labour rights, protect the environment and work against corruption.

This policy for corporate social responsibility (CSR) was considered and approved by Orifarm's Board of Directors on December 2017.

Sources:

Danish Financial Statement Act § 99 a

http://csrrapport.dk/wp-content/uploads/carve_csr-rapporteringweb.pdf

<https://www.unglobalcompact.org/what-is-gc/mission/principles>

http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

<http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx>

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