



The Orifarm Group Policy for Corporate Social Responsibility (CSR)

CSR purpose

At Orifarm, we are aware that we have a responsibility to contribute to social, environmental and economic sustainability. We are committed to make a difference in a sustainable 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 and sustainability. It is rooted in our four core values *Responsibility, Ambitions, Flexibility* and *Customers*. The values form the cornerstones in our company and 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.

Scope and objective

This CSR Policy is based on the UN Global Compact and its ten principles on human rights, labor rights, climate and environment, and anti-corruption. It is aligned with the UN Guiding Principles for Business and Human Rights, the UN Children's Rights and Business Principles, ILO Conventions, the UN Framework Convention on Climate Change, and the UN Convention against Corruption.

It applies to all parts of our organization and to our value chain. This encompasses employees and temporary personnel such as consultants or agency personnel. It also covers business partners such as vendors and suppliers, distributors, agents, and other sales intermediaries, and is supplemented by the Supplier Code of Conduct.

The objective of this Policy is to support and enable our employees at all levels to act in line with our values, commitment, and expectations in relation to human rights and labour rights.

Orifarm expects all employees to follow this Policy and consistently apply its high standards when doing business.

Our CSR commitment

The Orifarm CSR efforts and execution ensure compliance with the Danish Financial Statement Act § 99(a) on social responsibility, (b) on gender equality and (d) on data ethics. 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, the climate and environment in a negative way or being complicit to corruption and bribery.

Our CSR commitment is aligned with the UN Global Compact Principles and we strive to pursue the goals and standards mentioned in the UN Guiding Principles for Human Rights and Business and the OECD guidelines for multinational enterprises.

Our CSR commitment is focused at:

- Respecting human rights
- Improving labour rights
- Contributing to a sustainable climate and environment
- Avoiding anti-corruption

Respecting 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.

Improving 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 provides 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.

Contributing to a sustainable 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 our strive for climate change adaptation and mitigation efforts, the sustainable use and protection of water and marine resources, support of transitioning to a circular economy, preventing pollution, the protection and restoration of biodiversity and ecosystems while promoting environmentally friendly technologies internally in the Group and among business partners and customers.

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 operations..

Avoiding 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 efforts include prevention of extortion and bribery and is carried out in compliance with international law and 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 prepare mitigation 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, and we also contribute to growth, employment and health initiatives.

CSR Organisation and Management

The Orifarm CSR committee is responsible for overseeing the CSR agenda and activities in Orifarm. The committee consists of members from senior leadership. The committee is responsible for integration of sustainability into Orifarm's business strategies, setting the strategic CSR direction, ambitious targets and securing internal foundation of responsible business practices.

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,
- The CSR strategy and policies,
- Implementation through activities and adjustment of practices,
- Measuring and monitoring achieved progress and impact, communication, and reporting.

CSR due diligence processes identify, assess, prevent, cease, and mitigate the potential and/or actual adverse impacts on human rights, environment, and good governance. The processes cover impacts posed by Orifarm's activities throughout the value chain and by business relationships.

Orifarm internal audit monitors the performance of due diligence processes, and address and communicate findings and plans of action.

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 actual or potential adverse impact on human rights, environment and governance, 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. Orifarm employees can report via the Orifarm Whistleblower Scheme available on the Orifarm intranet. External stakeholders can report via CSR@orifarm.com.

This policy for corporate social responsibility (CSR) was considered and approved by Orifarm's Board of Directors on 18 March 2021.

Sources:

Danish Financial Statement Act § 99 a

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

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

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

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