

## ***Orifarm Group A/S UK Modern Slavery Act Statement***

In accordance with section 54 of the UK Modern Slavery Act 2015, Orifarm Group publishes its Modern Slavery Act statement, which cover the financial year 1 January 2020 – 31 December 2020. The statement sets out the steps taken by Orifarm Group that falls within the scope of preventing modern slavery and human trafficking from occurring in Orifarm Group operations and in supply chain.

### **Our business:**

Orifarm Group is an ambitious operator in the European market for pharmaceuticals. Our ambition is to supply high quality pharmaceuticals at a low cost. In other words: We offer consumers and societies more healthcare for their money.

Orifarm Group consists of two operating areas: Orifarm Parallel Import (PI) and Orifarm Generics.

Orifarm Group's vision - "*We want to be number 1 in making healthcare a better deal*" - expresses the general objective. "A better deal" does not only refers to savings, but also to how Orifarm Group delivers solutions that meet its stakeholders' needs. Orifarm Group's operating activities are guided by our values which are flexibility, ambition, responsibility and customer centricity.

### Value chain Parallel Import (PI)

Orifarm PI imports pharmaceuticals from EU member states and transports them to our repacking facilities in Czech or Denmark. After repacking the products, Orifarm Group distributes the pharmaceuticals to customers in 11 EU markets.

Orifarm Group's own operations include production of boxes, printing leaflets and labels and repacking the products. For the rest of the value chain, Orifarm Group relies on external partners, suppliers and customers.

### Value chain Generics

Orifarm Group's own operations includes development and manufacturing of Generic medicine for 12% of our product portfolio via our production facility Viminco. For the rest of our portfolio and for the rest of the value chain, Orifarm Group relies on external partners, suppliers and customers.

## **In our own operations**

### The Corporate Social Responsibility policy and supporting policies

It is essential for Orifarm Group to comply with international human rights and labor standards and to work against discrimination. Orifarm Group is obliged to do so through its commitment to UN Global Compact.

Our policy towards human rights are stated in our Corporate Social Responsibility (CSR) policy and in our Human Rights statement. Our Supplier Code of Conduct forms the basis for dialogue regarding human rights with stakeholders in our value chain. The CSR policy is mandatory for all Orifarm Group staff. In addition, we ask all staff to comply with applicable laws, regulations and industry codes, international requirements and all our supporting guidelines. The Orifarm Group CSR policy is approved by the Orifarm Group CEO.

Through our commitment to respect and support internationally recognized human rights, Orifarm Group is committed to ensure patient safety, safeguard rights to privacy, strengthen labor rights across our operations through fair and safe working conditions.

Our employees can find information about Orifarm's approach to human rights in our CSR policy available at our intranet. Moreover, employees on our main sites receive a personnel handbook with guidelines for non-discrimination and ethical behavior employees are trained in GDPR. In 2020 a new policy outlining Orifarm's guidelines for Human Rights was approved and will be communicated and implemented during 2021.

## **In our Supply Chain**

### The Orifarm Supplier Code of Conduct

For the companies we engage with the Orifarm Supplier Code of Conduct forms the basis for our dialogue on human rights. In the Supplier Code of Conduct we communicate our expectations to our suppliers on responsible business conduct within human rights, labor rights, environment and anti-corruption. The supplier code of conduct states that no suppliers must ensure that no forced, bonded or involuntary labor is employed and ensure freely chosen employment and freedom of association.

Suppliers shall ensure compliance with the Orifarm Group Code of Conduct at all times and must be open for dialogue and collaboration with Orifarm to ensure continuous improvement in relation to the principles stated in this Code of Conduct.

To ensure compliance we expect suppliers to monitor the negative impact of their operations on human rights and labor rights and to establish preventive measures in order to reduce any negative impact identified during their monitoring.

Upon request from Orifarm, suppliers shall document compliance with all obligations set out in the Code of Conduct. Moreover, suppliers shall undertake all reasonable efforts to ensure that agents and sub-contractors comply with the requirements of the Code of Conduct.

### Assessing and addressing risk of risks of modern slavery in our operations and in our supply chain

Our procedures are based on the UN Guiding Principles on Business and Human Rights. To minimize our adverse impacts within our business we work to:

1. Identify where in our operations and value chain we may be at risk to cause or contribute to Human rights breaches
2. Prevent any breaches we may cause or contribute to in our operations or throughout our supply chain
3. Mitigate the impact that we may have caused or contributed to.

Our biggest exposure to Modern Slavery is in our global supply chain. We conduct assessments of the country of origin and our value chain activities, in the markets we operate, to identify risk for infringing on Human Rights and Labor Rights.

New suppliers are assessed for risk of violations to human rights, labor rights, environmental matters or business ethics, including risk of modern slavery, as a part of our procurement

procedures and due diligence evaluation. In 2020 7 suppliers, new to Orifarm, were assessed and received additional questions or a self-assessment questionnaire.

In 2020 we carried out classification of our contract manufacturing suppliers in relation to CSR risks and identified and investigated our existing suppliers in markets with risk of violations to human and labor rights. We sent self-evaluation questionnaires to 6 suppliers in high risk markets.

In 2021 Orifarm Group plans to further strengthen our processes for assessment and due diligence in our value chain. Following key activities are planned:

- Further implement our supplier CSR risk segmentations and CSR due diligence processes for product supplier selection. The focus for 2021 will be an raw material suppliers.
- Further implementation of our supplier self-assessment programs. The focus for 2021 will be an raw material suppliers to our production
- Kick-off external CSR onsite/virtual audit processes
- Conduct an internal CSR audit incl. modern slavery at our production site in Skælskør.

## Training

It is mandatory for all Orifarm employees to comply Orifarm CSR policy which is available on our Orifarm webpage.

New employees are presented for our CSR policy and supplier code of conduct as a part of their onboarding program.

We train our procurement specialists in our supplier code of conduct and CSR due diligence processes.

## Grievance mechanisms

Orifarm provides 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. External stakeholder can contact their Orifarm representative or reach out via [CSR@orifarm.com](mailto:CSR@orifarm.com).

In our own operations, Orifarm employees can raise concerns via their manager, the CSR representative or the Legal Department. Alternatively employees can report anonymously via the Orifarm Whistleblower scheme via a link on our intranet.

The Orifarm CSR Committee oversees our commitment to respect human and labor rights.

Erik Sandberg

A handwritten signature in blue ink, appearing to read "Erik Sandberg".

CEO, Orifarm Group A/S