

A woman with dark hair tied back, wearing an orange t-shirt, has her mouth wide open. A young child with dark hair and a red headband with white polka dots is holding a magnifying glass over her teeth. The scene is set against a plain, light-colored wall.

# UNDERSTANDING THE BIGGER PICTURE

FUTURE-FIT TARGET SETTING  
2025 AND 2030

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# Introduction

In Orifarm, we believe it is imperative to take actions that contribute to more sustainability – in a deliberate and focused order. We acknowledge our responsibility in contributing to a more sustainable future, and we see the dialogue with you and our other stakeholders as essential for our successful journey.

In this report, we communicate our sustainability targets towards 2025 and 2030. The report is published March 2023.

Our approach to sustainability is science based. By using the Future-Fit Business Benchmark<sup>1</sup> and Break-Even Goals in our target setting process we secure that we evaluate and focus our efforts according to science.

The scoring for both baseline and target years have been developed in alignment with the science based and open-access Future-Fit methodology. For more information, please refer to the "Future-Fit Break- Even Goal Action Guides."

The target setting will be communicated in this stand-alone report and only be updated when needed, which we estimate to be every third year. The targets will function as reference points, and we might develop more detailed targets without updating this overall framework.

We are eager to understand how you experience this new transparent target setting and value open dialogue with our stakeholders: Please feel free to send your thoughts and feedback to [csr@orifarm.com](mailto:csr@orifarm.com).



# Executive summary

We are pleased to present our 2025 and 2030 targets in this Future-Fit report. The targets are transparent, ambitious, and science based with reference to the internationally recognized Future-Fit Business Benchmark.

Based on our Future-Fit Materiality Screening we have selected eight Future-Fit Break-Even goals to focus on:

## Upstream:

BE04 – Procurement

## Operations:

BE01 – Energy  
BE06 – Operational GHG  
BE13 – Discrimination  
BE20 – Business Ethics

## Downstream:

BE15 – Product Communication  
BE17 – Product Harm  
BE19 – Products Repurposed

The targets are presented in an overview on page 5 and further detailed in the following pages.

We encourage our stakeholders e.g., authorities, industry associations, non-governmental organizations (NGOs) to continue the high pressure for change. Only together can we secure a healthy planet as the general foundation for more healthy days.



## Operations:

Targets for renewable energy and climate change mitigation is a key part of our operational targets. We are committed to set near- and long-term company-wide emission reductions in line with science based net-zero with the SBTi.

Furthermore, it is our ambition to reach a Future-Fit score in 2025 of 100% for Discrimination and Business Ethics.

## Upstream and downstream:

The positive impact on society is core to our business model, as we enable lowering costs and making modern healthcare accessible. However, towards 2030 we will continue our focus on mapping and mitigating the potential negative impacts of our procurement and consumer product use.

A Procurement score of 50% in 2030 and a Product communication score of 100% in 2025 are among the targets.



# Targets overview

## Break-Even Goals

	BREAK-EVEN GOALS	SCORE 2022	TARGET 2025	SCORE 2025	TARGET 2030	SCORE 2030
UPSTREAM	BE04 - Procurement	0%	CSRD & CSDDD compliance	15-25%	Progress towards elimination of major hotspots	25-50%
OPERATIONS	BE01 - Energy *	21%	>30% renewable energy (no use of RECs)	>30%	>50% renewable energy (no use of RECs)	>50%
	BE06 - Operational GHG *	0%	SBTi-aligned interim target	>15,7%	SBTi-approved near-term target	>42%
	BE13 - Discrimination	50%	Orifarm's processes ensure employees are not subject to discrimination	100%	Inclusive work environment with equal opportunity for all	100%
	BE20 - Business Ethics	0%	Orifarm's processes ensure ethical conduct across markets and positions	100%	Future-Fit already achieved in 2025	100%
DOWNSTREAM	BE15 - Product Communications	70%	Orifarm supports consumers with responsible use and disposal	100%	Future-Fit already achieved in 2025	100%
	BE17 - Product Harm, end of life for product and packaging**	0%	Orifarm has published a focused and transparent position linked to an action plan to minimize API runoff into ecosystems after product use. This requires a collaborate effort required to minimize product harm from API runoff.	0%	Orifarm has achieved progress to minimize API runoff into ecosystems	0%
		0%	Orifarm has published a transparent position on use of PVC in pharmaceutical packaging and a plan to eliminate PVC entirely. This requires a collaborate effort required to minimize product harm from PVC.	0%	Secondary and tertiary packaging is PVC-free, primary packaging is PVC-free wherever possible	0%
	BE19 - Products Repurposed	0%	Set up structured approach to packaging design and waste for over-the-counter and food supplementary products	0%	Improved product to packaging ratio for over-the-counter and food supplementary products All secondary and tertiary packaging towards the customer is recyclable for over-the-counter and food supplementary products	>70%

\* Will be aligned to the SBTi target setting process within the next 24 months

\*\* The score for product harm for the use phase for product and packages is already at 100% and therefore not showing in the overview above



# Introduction to the Future-Fit framework

The Future-Fit Business Benchmark methodology was developed by the non-profit Future-Fit Foundation based on leading scientific concepts such as Planetary Boundaries and Doughnut Economics. These scientific concepts tell us that our economy must be transformed if we are to meet everyone's needs while averting the climate and environmental crises we now face.

Future-Fit measures businesses' progress against the idea of a Future-Fit society, which "protects the possibility that humans and other life will flourish on Earth forever, by being socially just, economically inclusive, and environmentally restorative"<sup>3</sup>. A Future-Fit society is characterized by eight core properties such as energy being renewable and available to all or the environment being free from pollution.

For companies to be sustainable, they should in no way undermine – and ideally increase – the possibility for life to flourish on Earth forever. This ambition level is far higher than the performance of leading companies today. The underlying conviction is that all businesses create negative and positive impacts – over time, a sustainable/Future-Fit company needs to eliminate all negative impacts and scale positive impacts.

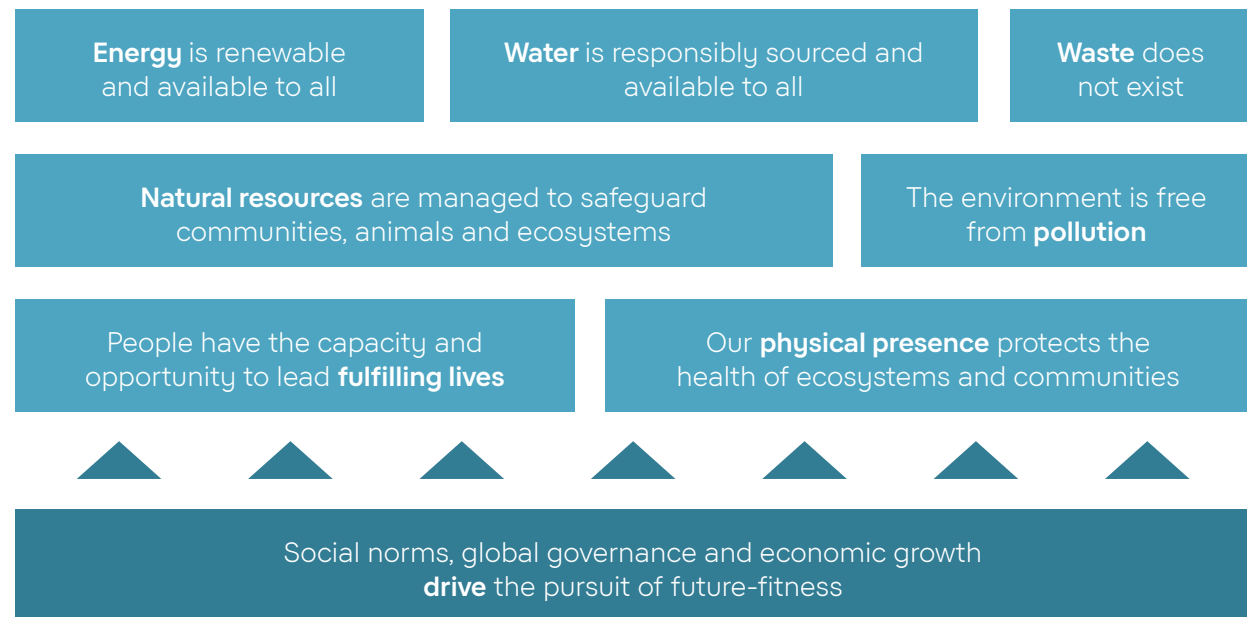


Fig.: The eight core properties of a Future-Fit society<sup>4</sup>



<sup>3</sup> <https://benchmark.futurefitbusiness.org/mg-systems-view.html>

<sup>4</sup> <https://benchmark.futurefitbusiness.org/mg-systems-view.html>

The Future-Fit Break-Even Goals represent the minimum level of achievements and performance of a company to be considered sustainable. The 23 Future-Fit Break-Even Goals are derived from the eight properties of a Future-Fit society. Each goal operates upon science and internationally recognized standards toward which all companies need to work. The framework can thus be seen as backcasting from a sustainable society to set scientific targets for companies to eliminate any negative impact on people and planet.

Each goal is assigned a score from 0-100%. A score of 100% means that a company has completely eradicated all negative impact in that area. Working with the Future-Fit Break-Even Goals you get a clear indication of the current performance of a company in a given area, as well as a clear long-term target.

In Orifarm, we have chosen to put Future-Fit at the heart of our sustainability targets as we believe it provides the most comprehensive, science-based list of areas that need to be addressed. Furthermore, the framework provides both actionable guidance and a strategic lens – it shows us where we are today, where we need to go, how to get there, and how to track progress along the way.



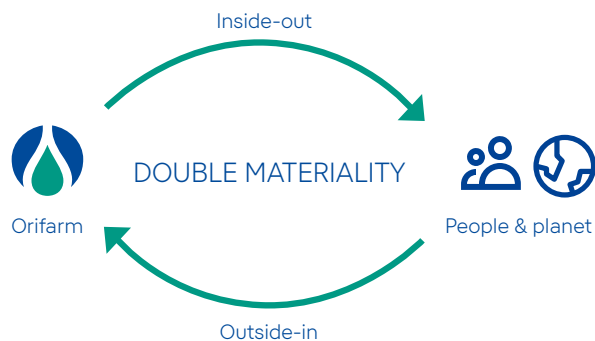
Fig.: Future-Fit and its link to other leading frameworks of which some are also addressed by Orifarm.

Energy	<b>Energy</b> is from renewable sources
Water	<b>Water</b> use is environmentally responsible and socially equitable
Natural Resources	<b>Natural resources</b> are managed to respect the welfare of ecosystems, people and animals
Pollution	<b>Operational emissions</b> do not <b>harm</b> people or the environment
	<b>Operations</b> emit no <b>greenhouse gases</b>
	<b>Products</b> emit no <b>greenhouse gases</b>
Presence	<b>Products</b> do not <b>harm</b> people or the environment
	<b>Operations</b> do not <b>encroach</b> on ecosystems or communities
Waste	<b>Operational waste</b> is eliminated
People	<b>Products</b> can be <b>repurposed</b>
	<b>Community health</b> is safeguarded
	<b>Employee health</b> is safeguarded
	Employees are paid at least a <b>living wage</b>
	Employees are subject to <b>fair employment terms</b>
	Employees are not subject to <b>discrimination</b>
	<b>Employee concerns</b> are actively solicited, impartially judged and transparently addressed
	<b>Product communications</b> are honest, ethical, and promote responsible use
<b>Product concerns</b> are actively solicited, impartially judged and transparently addressed	
Drivers	<b>Procurement</b> safeguards the pursuit of future-fitness
	<b>Financial assets</b> safeguard the pursuit of future-fitness
	<b>Lobbying</b> and corporate influence safeguard the pursuit of future-fitness
	The right <b>tax</b> is paid in the right place at the right time
	Business is conducted <b>ethically</b>

Fig.: The Future-Fit Break-Even Goals <sup>5</sup>

# Materiality screening

Meeting the sustainability challenges of the world around us demand us to understand the impact our business has on the environment and our surrounding societies. Simultaneously, it is imperative to understand how sustainability challenges our future business. This is called a double materiality assessment.



According to new EU regulation this is becoming the standard for addressing what is important for companies to consider in relation to its sustainability effort.

The process used to determine the materiality commence in the 23 Future-Fit Break-Even Goals. The prioritization is based on the two dimensions in the double materiality: Impact and financial materiality.

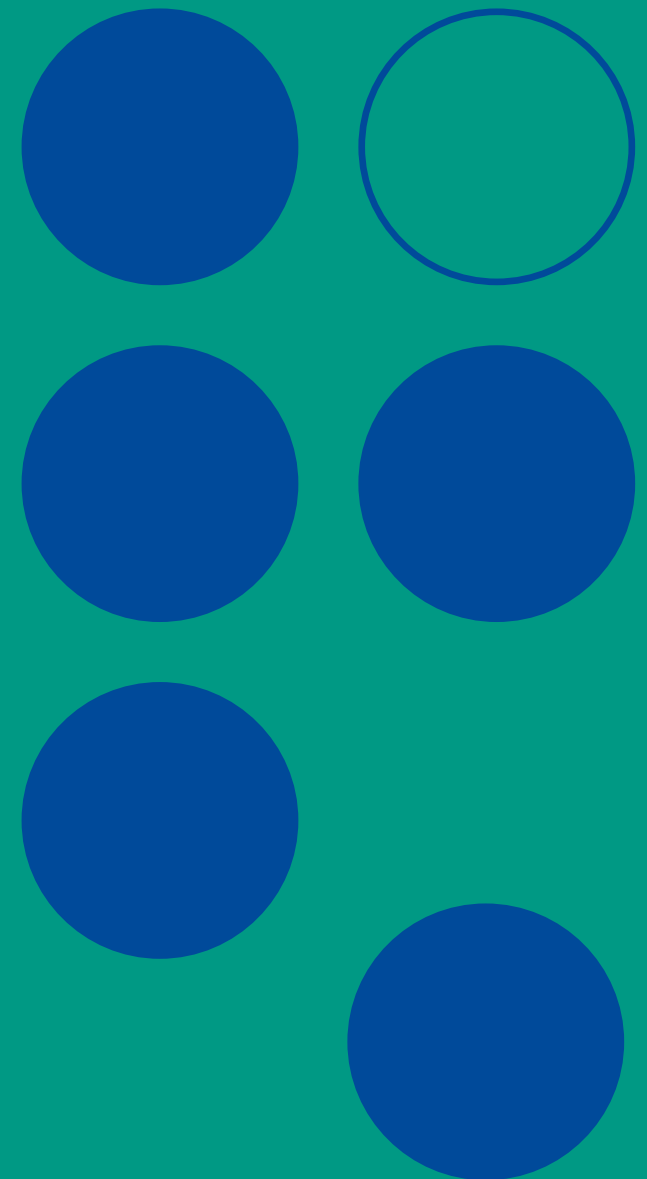
The potential negative impact on environment and society is evaluated based on scale, scope, irremediable character, and likelihood, whereas the financial materiality is evaluated based on probability of occurrence and magnitude of financial effects. The combined double materiality matrix shows nine Future-Fit Break-Even Goals should take highest priority.

Overview is shown on the next page:

The high risk areas are:

- **Procurement** (04)
- **Climate:** Energy (01), Operational GHGs (06)
- **Operational Waste** (07)
- **Employee Discrimination** (13)
- **Business Ethics** (20)
- **Products:** Harm (17), Communications (15), Repurposed packaging (19)

Targets for operational waste has not been set in this report as we need more time to fully understand the possibilities for improving the waste not recovered at our production sites.





# Materiality screening matrix

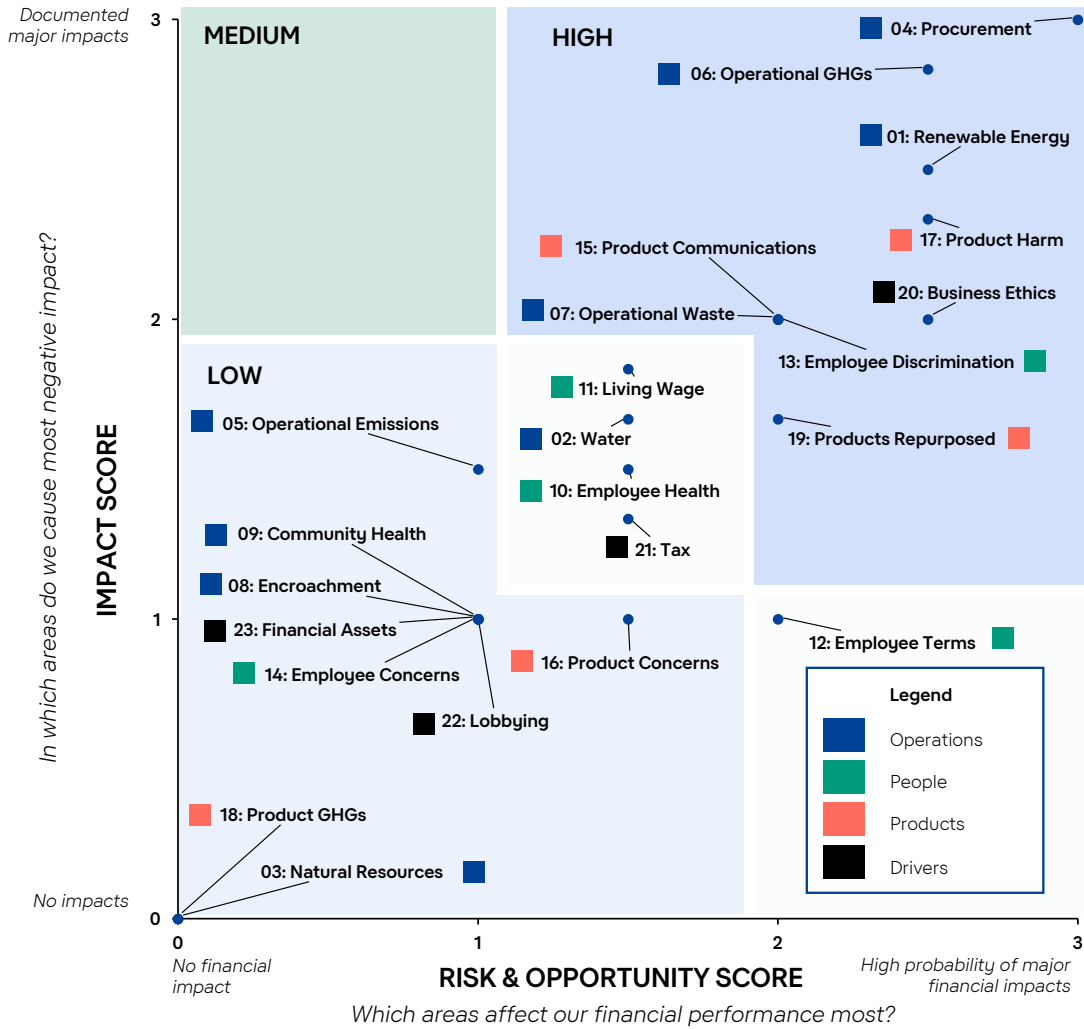


Fig.: Orifarm materiality screening matrix



# Upstream Baseline and targets

The upstream chapter includes one Future-Fit Break-Even Goal linked to:

## Procurement – Future-Fit Break-Even Goal 04

This section focus on upstream producers and suppliers, and what we can do to ensure we do not harm people nor society.

Given our business model, this is the area with the least amount of influence or degree of control. However, this should not stop us from taking responsibility for our value chain and look for ways to reduce negative impacts from our supply chains. Collaborative action within and outside the pharmaceutical industry is key in this work.

Our business model also entails requirement for legal compliance, where upcoming legal requirements will pose new challenges for procurement. We have chosen to address these challenges early-on to ensure legal compliance, access to finance, and a positive public reputation.

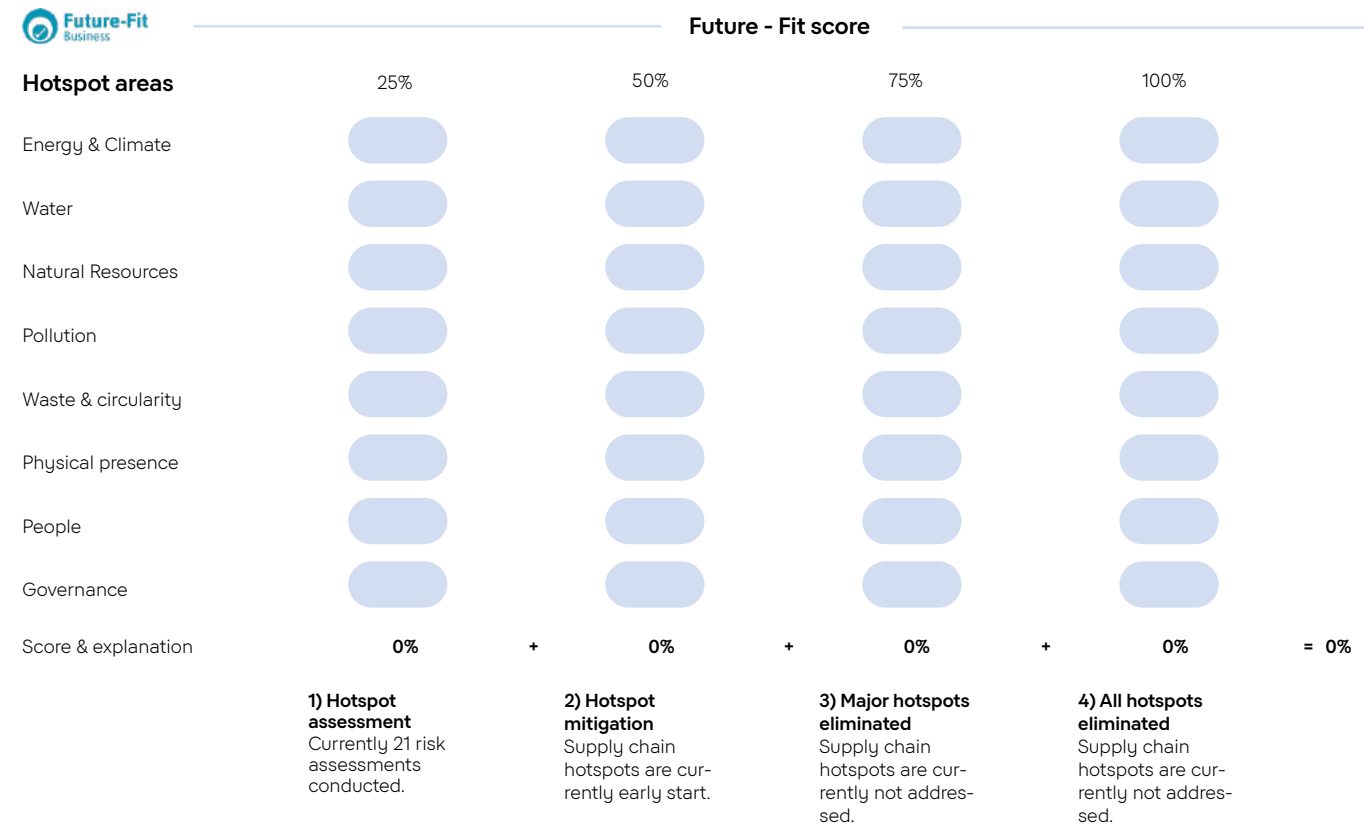


# Procurement (Future-Fit Break-Even Goal 04)

The highest negative impacts of the pharmaceutical industry are found within the upstream supply chain. API production in locations such as Hyderabad, India, is contributing to the destruction of local ecosystems while exacerbating poverty and multidrug-resistant organisms (MDROs)<sup>6</sup>. The increase of MDROs is one of the most urgent global public health risks we need to address in accordance with CSRD<sup>7</sup>.

This includes a full supply chain assessment for material negative impacts on people (e.g. human rights) and planet (e.g. climate change, pollution). The CSDDD<sup>7</sup> requires Orifarm to set up due diligence mechanisms to eradicate negative supply chain impacts on human rights and the environment.

We will implement future compliant supplier screening and selection tools addressing our ESG risks on a product as well as a supply chain level.



2022

Detailed targets for procurement:

**Baseline**

No overview of supply chain hotspots across business areas

**Future-Fit baseline**

Future-Fit score: 0%

2025

**Target**

**CSRD & CSDDD<sup>7</sup> compliance**  
Processes and structures in place to identify, manage and disclose negative supply chain impacts on people and planet across business areas

**Future-Fit target**

Future-Fit score: 15-25%

2030

**Target**

**Progress towards elimination of major hotspots**  
E.g. in the areas of decarbonisation or pollution (API runoff)

**Future-Fit target**

Future-Fit score: 25-50%

Fig.: Big gaps on supply chain to be closed



<sup>6</sup> WHO expects >10 million deaths globally due to MDROs by 2050 if no action is taken. WHO (2019): No Time to Wait.

<sup>7</sup> CSRD = Corporate Sustainability Reporting Directive. CSDD = Corporate Sustainability Due Diligence Directive.

# Baseline and targets for own operation

The operations chapter includes four Future-Fit Break-Even Goals linked to:

**Energy (Future-Fit Break-Even Goal 01)**

**Operational GHG Emission (Future-Fit Break-Even Goal 06)**

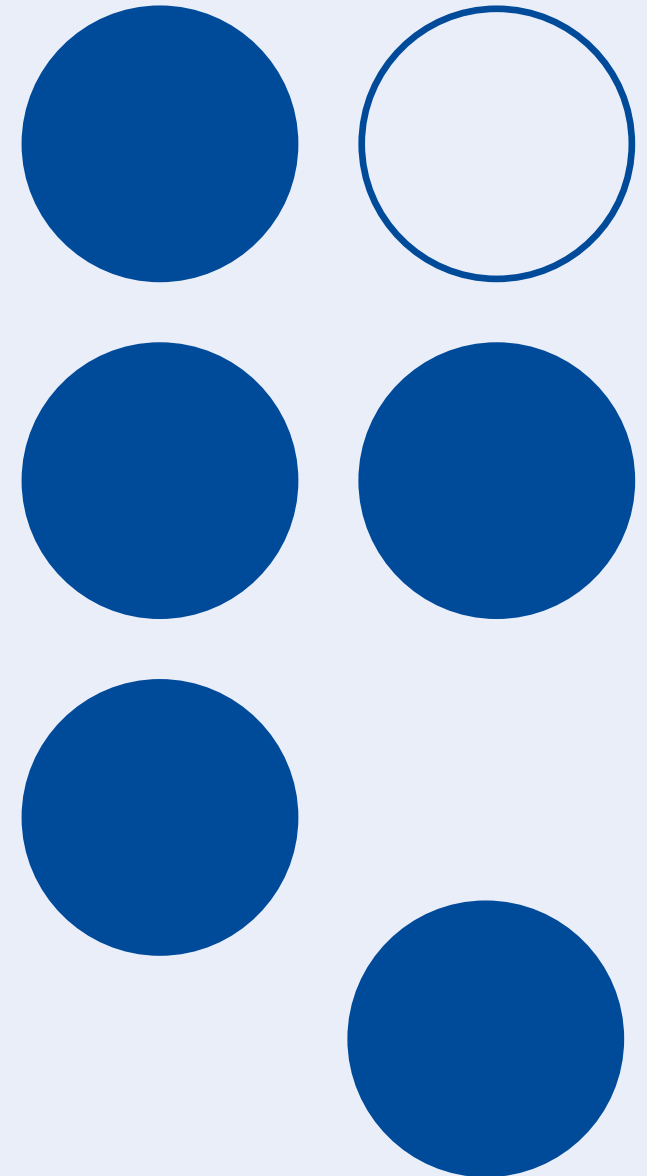
**Anti-discrimination (Future-Fit Break-Even Goal 13)**

**Business Ethics (Future-Fit Break-Even Goal 20)**

This section focuses on what we, Orifarm, can do and directly control and therefore these four Future-Fit Break-Even Goals are on the short-term the most ambitious.

We expect the work on anti-discrimination progress faster than the work on business ethics. However, we also see many overlaps between the two, such as the possibility to extend the whistleblower scheme to also cover cases of discrimination.

Reduction in absolute climate emissions needs to be exponential toward 2050 where net zero is reached at the latest. Halving the emissions each decade is a tall order and will come with significant investments and new ways of operating. However, the science is clear - the action now will be decisive for generations to come. Halving our absolute emissions toward 2030 is our starting point for entering our science based target setting process.

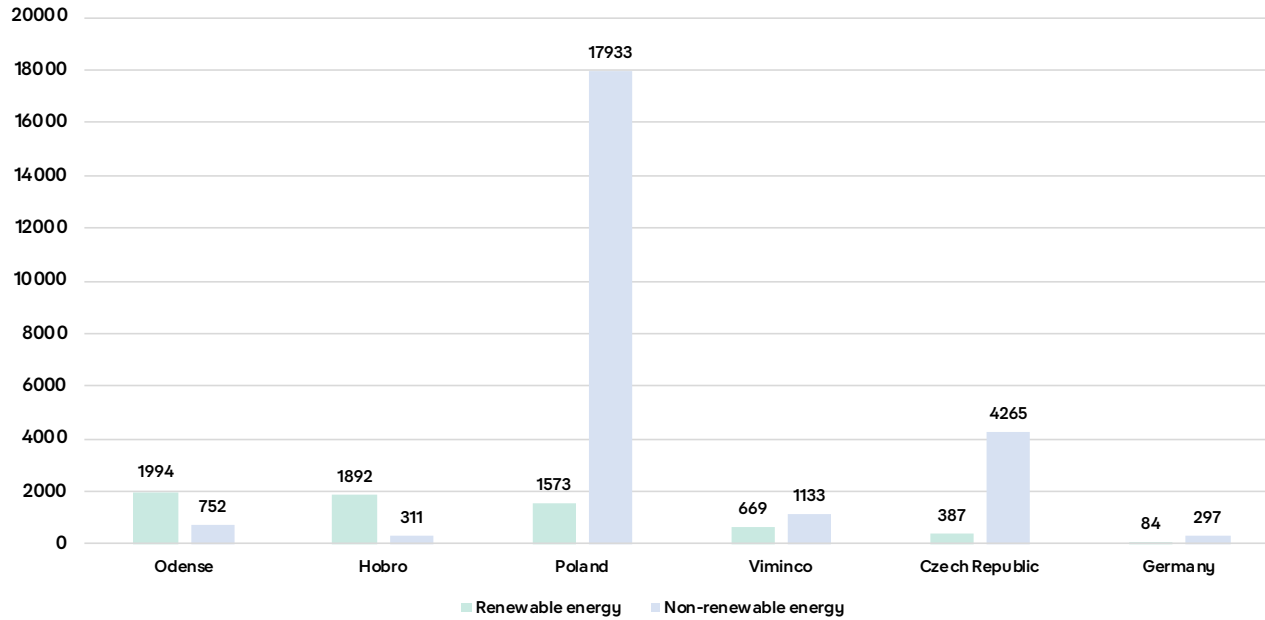


# Energy (Future-Fit Break-Even Goal 01)

With our energy target, we want to secure a high share of renewable energy and without use of Renewable Energy Certificates (RECs) as this is not seen a Future-Fit way of securing more renewable energy.

The current share of renewable energy is coming from PV solar installed at our factories, as well as the renewable share where our energy is used. Around 21% of the current energy is estimated to be renewable energy.

Energy consumption by site (in MWh)



Overview of estimated renewable and non-renewable energy use at our six production sites:

## 2022

Detailed targets for renewable energy:

**Baseline**

21% renewable energy

**Future-Fit baseline**

Future-Fit score:

21%

## 2025

**Target**

>30% renewable energy  
Without use of unbundled RECs

**Future-Fit target**

Future-Fit score:

30%

## 2030

**Target**

>50% renewable energy  
Without use of unbundled RECs

**Future-Fit target**

Future-Fit score:

50%



## Operational GHG Emission (Future-Fit Break-Even Goal 06)

Urgent action is required to limit global warming to 1.5°C with energy as main lever. We as businesses must step up to mitigate the climate emergency by transitioning to 100% renewable energy as our main lever to reduce our contribution to the climate emergency.

Compliance with the coming Corporate Sustainability Reporting Directive (CSRD) requires us to report on policies, actions, metrics, and targets on how we plan to transition our business in to a 1.5°C scenario and report progress annually.

We have in the start of 2023 committed to setting science based targets on climate change as guided by the Science Based Target initiative.

Orifarm has committed to set near- and long-term company-wide emission reductions in line with science based net-zero with the SBTi.

Orifarm has responded to the SBTi's urgent call for corporate climate action by committing to align with 1.5°C and net-zero through the Business Ambition for 1.5°C campaign.



2022

Detailed targets for operational GHG emissions:

**Baseline**  
15,591 tCO2e in 2022

**Future-Fit baseline**  
Future-Fit score: **0%**

2025

**Target**  
**SBTi-aligned interim target**  
At least 15.7% reduction;  
no use of unbundled RECs or offsetting

**Future-Fit target**  
Future-Fit score: **>15,7%**

2030

**Target**  
**SBTi-approved near-term target**  
At least 42% reduction;  
no use of unbundled RECs or offsetting

**Future-Fit target**  
Future-Fit score: **>42%**

## Anti-discrimination (Future-Fit Break-Even Goal 13)

Ending discrimination based on factors such as e.g., gender, ethnicity, sexuality, religion, and culture contributes to reduce global inequalities. A wage gap between genders continues to persist – also in highly-developed OECD countries<sup>8</sup>. At the same time, many countries have no laws prohibiting companies from discriminating against staff<sup>9</sup>. We know from research that discrimination is often culturally entrenched and requires a systematic approach to avoid<sup>10</sup>.

Our focus on anti-discrimination will continue and be further strengthened toward 2025.

Currently, we see ourselves scoring at 50% Future-Fit, as we are taking a transparent stance against discrimination, have implemented effective ways to raise incidents of discrimination through our whistleblower scheme and have firmly anchored responsibility for anti-discrimination in our organization.

We have grown significantly in recent years and our anti-discrimination measures are currently being designed, improved, and implemented across the company.

Toward 2025, we will work on resolving cases in a structured and documented manner that protects our employees' privacy. We will improve directive and preventive measures by publishing our policy and communicate regularly, as well as integrate the policy into each step of the employee lifecycle for example by training hiring managers on biases in the hiring processes.

We will investigate whether the whistleblower scheme can collect data on discrimination-related incidents to allow for monitoring and measuring the effectiveness of our anti-discriminatory practices. Furthermore, we will assess the effectiveness of the whistleblower scheme and adjust it if needed.

We will focus on anchoring our diversity and inclusion effort in the Orifarm culture and the Extended Leadership Team (ELT).

Besides the Future-Fit focus, Orifarm have already set targets on share of underrepresented gender in management. The 2025 targets toward minimum 45% female representation in leadership continues to be a target.

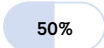
2022

Detailed targets for anti-discrimination:

**Baseline**

Anti-discrimination policies and controls in the process of being developed

**Future-Fit baseline**

Future-Fit score:  50%

2025

**Target**

**Orifarm's processes ensure employees are not subject to discrimination**

Anti-discrimination policy, effective controls, measures across the employee lifecycle and senior accountability

**Future-Fit target**

Future-Fit score:  100%

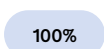
2030

**Target**

**Inclusive work environment with equal opportunity for all**

Orifarm champions an inclusive work environment with a management and workforce that reflects the world it operates in

**Future-Fit target**

Future-Fit score:  100%



<sup>8</sup> OECD Employment Outlook (2022). <https://data.oecd.org/earnwage/gender-wage-gap.htm>

<sup>9</sup> Migrant Integration Policy Index (2020). <https://www.mipex.eu/anti-discrimination>

<sup>10</sup> Council of Europe (2020). Identifying and Preventing Systemic Discrimination at the Local Level. Policy Study. [rm.coe.int/policy-study-identifying-and-preventing-systemic-discrimination-at-the/1680a00ef4](https://rm.coe.int/policy-study-identifying-and-preventing-systemic-discrimination-at-the/1680a00ef4)

## Business Ethics (Future-Fit Break-Even Goal 20)

In Orifarm, we need to better understand our weak spots or hotspots linked to business ethics. A single instance of unethical or illegal conduct can come at extremely high costs both for legal proceedings and damage on our reputation.

Unethical conduct is a risk at all employee levels and all employees should be trained to mitigate risks relevant to their position and location. In 2022, 19% of the Orifarm staff was trained on business ethics.

Toward 2025, we will identify weak spots to map where ethical risks are seen most relevant to each employee group based on role, location, incentives, etc.

Our ethics policy needs to be updated and tailored to the ethical risks in the pharmaceutical sector and regularly communicated to employees. Special attention is given to employees and business activities considered to be at greater risk.

The whistleblower scheme is regularly reviewed to identify shortfalls and ensure continuous improvement. Anti-corruption training is conducted yearly, extended to all employees, and to the extent possible, customized to be relevant for the employees.

2022

Detailed targets for business ethics:

**Baseline**

Ethics Policy & Whistleblower Scheme in place – more granular and regularly updated risk assessment needed

**Future-Fit baseline**

Future-Fit score:

0%

2025

**Target**

**Orifarm’s processes ensure ethical conduct across markets and positions**

**Hotspot assessment** is performed and regularly reviewed to identify ethical risks most relevant to each employee based on role, location, incentives etc.

**Ethics Policy** is tailored to the ethical risks in the pharmaceutical sector and is regularly communicated to employees. Special attention is given to employees and business activities considered to be at greater risk.

**Whistleblower scheme** is regularly reviewed to identify shortfalls and ensure continuous improvement

**Anti-corruption training** is conducted yearly, extended to all employees, and customized to each employee’s needs and planet across business areas

**Future-Fit target**

Future-Fit score:

100%





# Down-stream Baseline and targets

The downstream chapter includes three Future-Fit Break-Even Goals linked to:

**Products communication (Future-Fit Break-Even Goal 15)**

**Product harm (Future-Fit Break-Even Goal 17)**

**Product repurposed (Future-Fit Break-Even Goal 19)**

The focus for these targets is on the consumers, and how Orifarm can guide the consumers to support 1) responsible use and proper disposal of pharmaceuticals to address API run off at end-of-life and 2) packaging reuse or recycling.

As the pharmaceuticals themselves cannot be repurposed, our focus is on making sure that packaging is possible to recycle, and that it does not contain PVC.

Even though one could argue that a higher degree of control and influence would be present here, it is important to note that for great parts of our business, the originator of a pharmaceutical through e.g., regulatory requirements defines the possibilities for us to change and improve the environmental performance. We see a potential for Orifarm to play an active role in moving the pharmaceutical industry in a more sustainable direction. Making the originator make more sustainable choices is key in solving the issue for parallel imported as well as generic pharmaceuticals.



## Products communication (Future-Fit Break-Even Goal 15)

A global study of APIs in rivers found that >25% of samples showed API concentrations above safe levels<sup>11</sup>. At consumer-level, an alarming >80% of consumers dispose pharmaceuticals in the trash, toilet, or sink<sup>12</sup>.

Orifarm and the pharmaceutical industry in general are informing the consumers about our products and how to use them. A Patient Information Leaflet (PIL) in all our products is giving detailed information on use.

Even though we already have a strong Future-Fit score of 70% on product communication, we will toward 2025 improve our guidance on correct disposal of product and packaging. We will work on finding ways to inform and nudge the consumers to improve the handling of the product as well as the packaging.

2022

Detailed targets for products communication:

**Baseline**

Product communications live up to legal requirements

**Future-Fit baseline**

Future-Fit score:

70%

2025

**Target**

**Orifarm supports consumers with responsible use and disposal**

**Generic information on website about:**

Guidance on correct disposal of packaging and pharmaceuticals is communicated on all products to minimize incorrect API runoff into ecosystems and maximizes share of packaging that is recycled.

**Note:**

Additional guidance on safe storage, use and disposal is communicated for OTC-products, since they can be purchased without a healthcare professional to give guidance.

**Future-Fit target**

Future-Fit score:

100%



<sup>11</sup> Wilkinson et al. (2022). Pharmaceutical pollution of the world's rivers. In Proceedings of the National Academy of Sciences (Vol. 119, Issue 8). Proceedings of the National Academy of Sciences  
<sup>12</sup> Kinrys G, Gold AK, Nierenberg AA., Proper Drug Disposal: Studying a Solution to Household Prescription and Over-the-Counter Drug Abuse. J Drug Abuse. 2016, 2:2

## Product harm (Future-Fit Break-Even Goal 17)

For end-of-life we see two major issues giving us a very low Future-Fit score. A score that at the same time is very difficult to change.

To make pharmaceuticals effective against diseases you need the Active Pharmaceutical Ingredients (APIs) to be efficient when released in the body of the patient. This is based on science and is safe for the patient. However, some APIs are known to build up in nature, cause damage to ecosystems, and increase the risk of multidrug-resistant organisms (MDROs)<sup>13</sup>. In this regard, APIs do not pass the Future-Fit criteria of doing no harm.

Similarly, storage of pharmaceuticals in its packaging is sometimes done in PVC, a synthetic material chosen for its great properties to keep the pharmaceutical ready for use even after years of storage. This is important in order to make the pharmaceuticals available when needed. However, PVC isn't biodegradable, difficult to recycle, and most of it ends up in landfills, incineration, or natural environments where it can cause harm to wildlife and ecosystems due to the toxic ingredients in PVC<sup>14</sup>.

Orifarm recognize both issues as important to solve. Toward 2025, we will gather more information to understand these issues, and insist on the pharmaceutical industry to address these areas.

As APIs are central to the products, it will be difficult mitigate this risk and change at a product level. However, the storage issue and use of PVC must be solved long-term.

2022

Detailed targets for product harm:

**Baseline**

End of life issue with API runoff into ecosystems and PVC in packaging. Product use 100% Future-Fit

**Future-Fit baseline**

	Use phase	End of life
Future-Fit score:	<b>100%</b>	<b>0%</b>

2025

**Target**

Orifarm has published a focused and transparent position linked to an action plan to minimize API runoff into ecosystems after product use. Orifarm has published a transparent position on use of PVC in pharmaceutical packaging and a plan to eliminate PVC entirely.

**Future-Fit target**

	Use phase	End of life
Future-Fit score:	<b>100%</b>	<b>0%</b>

2030

**Target**

Orifarm has achieved progress to minimize API runoff into ecosystems. Secondary and tertiary packaging is PVC-free, primary packaging is PVC-free wherever possible

**Future-Fit target**

	Use phase	End of life
Future-Fit score:	<b>100%</b>	<b>0%</b>

<sup>13</sup> Wilkinson et al. (2022). Pharmaceutical pollution of the world's rivers. In Proceedings of the National Academy of Sciences (Vol. 119, Issue 8). Proceedings of the National Academy of Science  
<sup>14</sup> European Commission (2022). The use of PVC (Poly Vinyl Chloride) in the context of a non-toxic environment. Brussels, Belgium.

# Product repurposed (Future-Fit Break-Even Goal 19)

This target is about securing that all packaging can be repurposed.

Our starting point is to get more data and focus on the secondary and tertiary packaging used toward our customers and consumers. PVC is mainly a concern in the primary packaging and will be addressed in goal 17. See page 19.

Toward 2025, we will develop and set up a structured approach to sustainable packaging design with focus on our Over-the-Counter and non-pharmaceutical products. By 2030, we will improve the product to packaging ratio for these kind of products. Also in 2030, we aim for secondary and tertiary packaging toward the customer is recyclable for Over-the-Counter and non-food products.

Packaging breakdown		
	Packaging is fit for:	
	Recycling	Reuse
Primary packaging		
Secondary packaging		
Tertiary packaging		

	Packaging input:	
	Recycled	Biobased
Primary packaging		
Secondary packaging		
Tertiary packaging		

Focus area

2022

Detailed targets for product repurposed:

**Baseline**

No structured approach and little data around circular packaging design and materials

**Future-Fit baseline**

Future-Fit score:

2025

**Target**

Set up structured approach to packaging design and waste for over-the-counter and food supplementary products

**Future-Fit target**

Future-Fit score:

2030

**Target**

Improved product to packaging ratio for over-the-counter and food supplementary products

All secondary and tertiary packaging towards the customer is recyclable for over-the-counter and food supplementary products

**Future-Fit target**

Future-Fit score:



# Roadmap and governance to secure action

Our management is aware of the importance of sustainability and the need for it to be an integrated focus area as also set out in the 2025 business strategy - "Towards new heights". As a result of this, in 2022, we have changed the governance structure of sustainability and integrate the committed targets into the new governance.

The full sustainability responsibility is now placed in the Executive Management Group (EMG) and the former sustainability committee has been discontinued. The former sustainability committee has been fundamental in initiating the sustainability dialogue and taking the first steps on the sustainability journey for Orifarm.

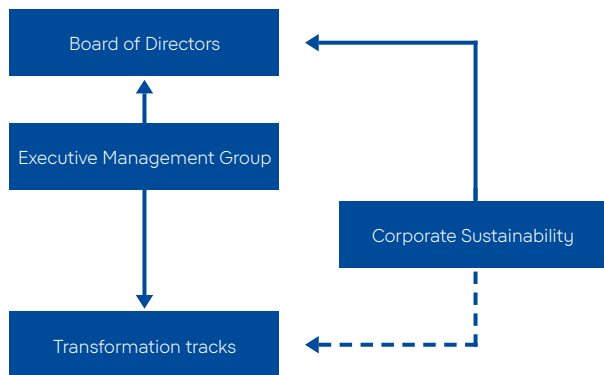


Fig. New governance on Sustainability.

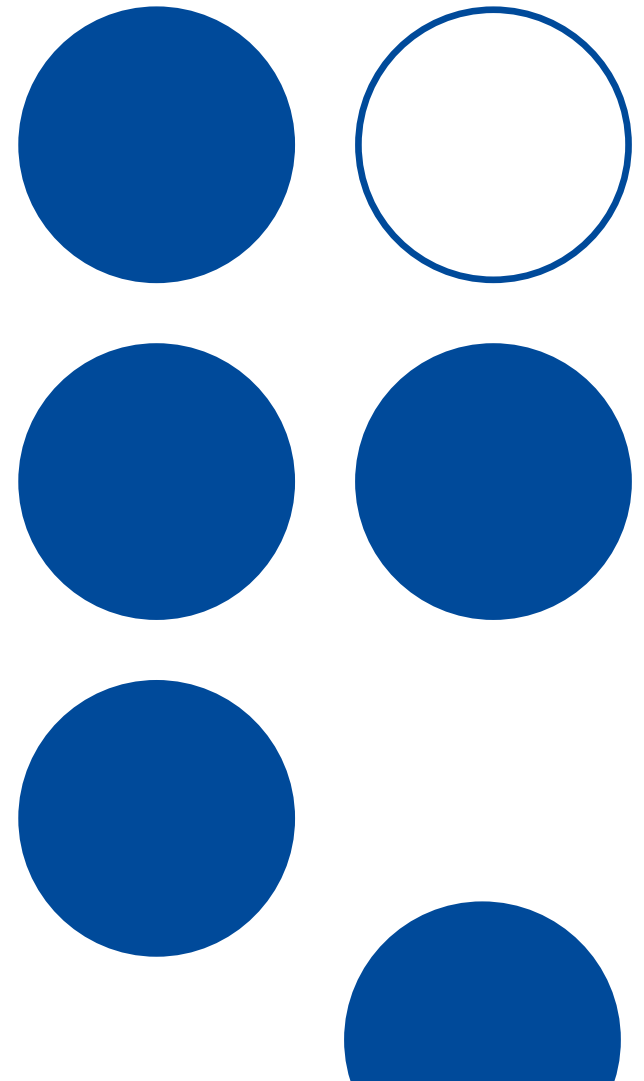
The purpose of the Corporate Sustainability function lead by the Director, Sustainability is to secure that Orifarm builds resilience in changing times and understand the risk and opportunities coming from environmental and social impacts as well and changing regulation requesting companies to become more sustainable.

Corporate Sustainability focus on three major tasks:

- Setting and agreeing the overall sustainability strategy with EMG
- Supporting the EMG owner in deploying the strategy based on the agreed roadmap
- Reporting and communicating on progress with the aim of securing good stakeholder engagement.

The agreed sustainability focus and targets are transferred into actions through an overall roadmap. Each of the tracks in the roadmap are owned by the relevant EMG member with a commitment to integrate sustainability in the day-to-day development of the business. In this way the EMG areas execute on the roadmap in the best and most balanced way.

Corporate sustainability holds an important role in securing that the balance of execution still delivers on the long term targets stated in this report and the stakeholder expectations mapped.



# Glossary

## Break-Even Goal

The line in the sand every business must strive to reach to be sure it is not slowing down progress to a flourishing future.

## Climate transition risk

Transition risks are business-related risks that follow societal and economic shifts toward a low-carbon and more climate-friendly future. These risks can include policy and regulatory risks, technological risks, market risks, reputational risks, and legal risks.

## Discrimination

Occurs when a person is unable to enjoy their human rights or other legal rights on an equal basis with others because of an unjustified distinction made in policy, law or treatment.

## GHG (Greenhouse gases) (Climate impact)

The atmospheric gases responsible for causing global warming and climate change. The major GHGs are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Less prevalent --but very powerful -- greenhouse gases are hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>).

## Living wage

Remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events.

## Location vs market-based approach

A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-

average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).

## Net zero emissions

Achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period.

## Physical climate risks

Potential threats posed to an organisation linked to its and other organisations' dependencies on nature and nature impacts. These can derive from physical, transition and systemic risks.

## Scope 1 emissions

Direct GHG emissions that occur from sources that are controlled or owned by a firm (e.g., emissions associated with fuel combustion in boilers, vehicles).

## Scope 2 emissions

Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.

## Scope 3 emissions

Indirect GHG emissions resulting from activities not owned or controlled by the firm but that the firm indirectly impacts in its value chain.

## Tipping point

A level of change in system properties beyond which a system reorganizes, often abruptly, and does not return to the initial state even if the drivers of the change are abated. For the climate system, it refers to a critical threshold when global or regional

climate changes from one stable state to another stable state.

## Transition risk

Risks that result from a misalignment between an organisation's or investor's strategy and management and the changing regulatory and policy landscape in which it operates. Developments aimed at halting or reversing the damage to nature, such as government measures, technological breakthroughs, market changes, litigation and changing consumer preferences can all impact risks.

## Value chain

Refers to the upstream and downstream life cycle of a product, process, or service, including material sourcing, production, consumption, and disposal/recycling. Upstream activities include operations that relate to the initial stages of producing a good or service (e.g., material sourcing, material processing, supplier activities). Downstream activities include operations that relate to processing the materials into a finished product and delivering it to the end user (e.g., transportation, distribution, and consumption).

## Water stress

Refers to the ability, or lack thereof, to meet human and ecological demand for freshwater. It considers several physical aspects related to water resources, including water availability, water quality, and the accessibility of water (i.e., whether people can make use of physically available water supplies), which is often a function of the sufficiency of infrastructure and the affordability of water, among other things.

## SDG aligning

Aligning business strategies and operations with the 17 Sustainable Development Goals created by the United Nations Global Compact.



**Science-Based Targets**

Science-based targets provide a roadmap for companies to future-proof growth by creating a roadmap of how much to reduce carbon emissions and how quickly the reduction needs to happen.

**Sustainable Accounting Standards Board**

SASB is a non-profit organization founded to develop sustainability accounting standards.

**CSRD (Corporate Sustainability Reporting Directive)**

This new directive modernises and strengthens the rules about the social and environmental information that companies have to report.

**EFRAG (European Financial Reporting Advisory Group)**

Companies subject to the CSRD will have to report according to European Sustainability Reporting Standards (ESRS). The draft standards are developed by the EFRAG.

**ESRS (European Sustainability Reporting Standards)**

When a company is subject to the CSRD, reporting according to ESRS is required.



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