



RESPONSIBLE GROWTH

ESG REPORT 2023



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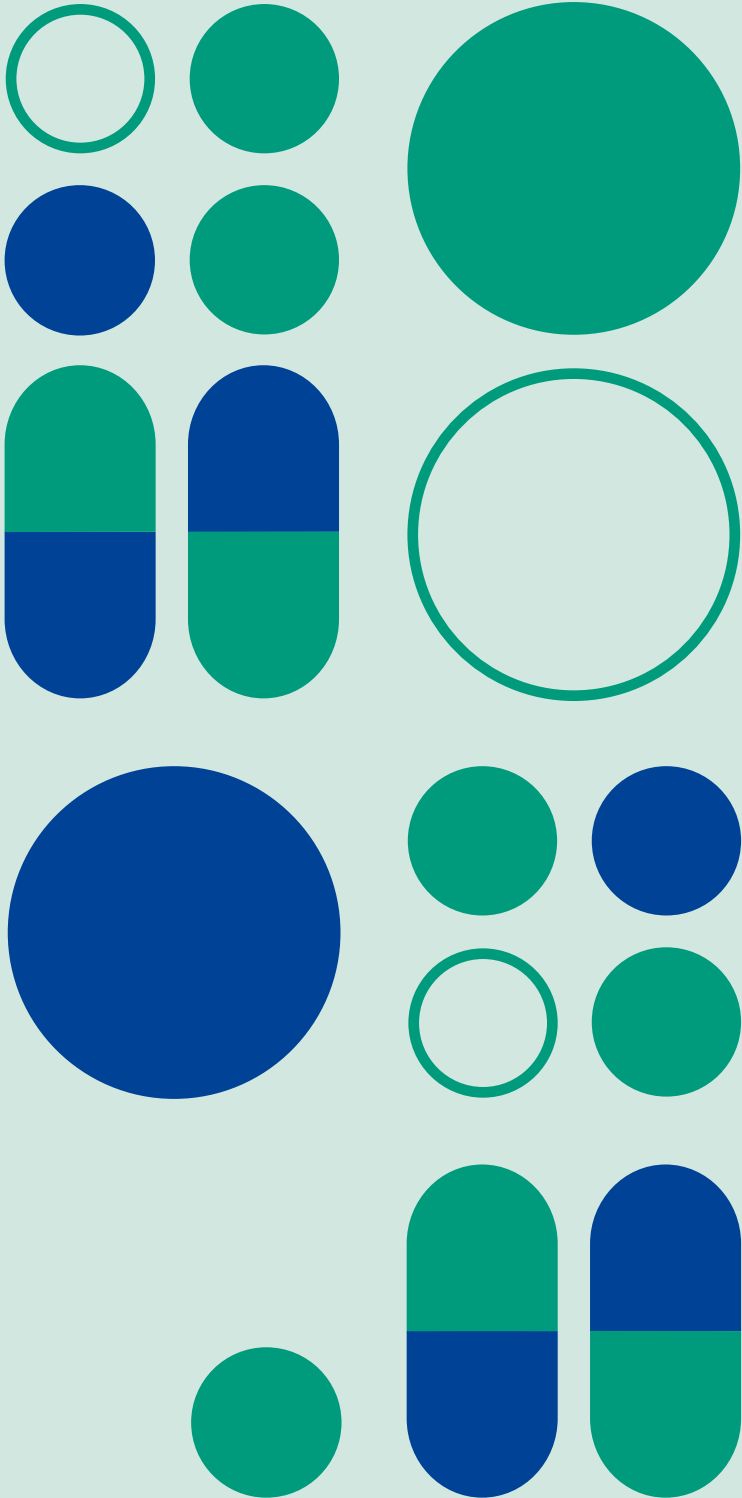
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Our framework

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Introduction

Strengthening our ESG framework

Sustainable and responsible growth is a central part of our strategic foundation in Orifarm. Our objective is to develop a transparent and stakeholder oriented ESG report.

Sustainability is to an increasing extent an embedded element of our business model and business operations. We want to deliver accessible and affordable healthcare and medicines in a way that caters for patients' safety, and in that way take responsibility for people and society.

We believe it is imperative to take actions that contribute to a more sustainable future. That is why we have determined a sustainability strategy, set targets, developed policies, monitor progress, and why we engage stakeholders in our value chain through due diligence processes and by implementing measures that serve to meet our targets. It is a complex journey that has only just begun.

The foundation for our ESG report

In this report, we cover our ESG progress and impacts in 2023 and we describe our plans for future measures. We use a science-based approach to calculate and report data.

Our reporting is structured around topics related to the environment and climate (E), people and society (S), and integrity and governance (G). We rely on Danish guidelines to guide our discussions, priorities, and our external reporting, and our ESG report serves to comply with the Danish Financial Statements Act §99a, and 99d.

We refer to UN's Sustainable Development Goals (SDG) as our business operations are impacting the objective of the SDGs. We also support the commitment and ten principles of the UN Global Compact.

Orifarm also need to live up to and implement the Corporate Sustainability Reporting Directive (CSRD) and for the 2025 report the European Sustainability Reporting Standards (ESRS) needs to be fully implemented in our reporting. With this years' ESG report we take a step toward following these standards and will continue in the direction against full implementation over the coming years.

Finally, SASB Sustainability Accounting Standard for Biotechnology & Pharmaceuticals have given inspiration and methods for reporting on specific industry measures. The SASB standard has proven valuable as the sector specific ESRs are not yet available.

Accounting principles for all data reported in the ESG data overview on page 40 are available on page 36-39.

Reporting characteristics

This report is the consolidated ESG report for Orifarm Group A/S and has the same scope as used for our consolidated financial report. This report forms part of the management commentary in the Annual Report. We have not used the exemption articles on disclosure of information prejudicial to our commercial position, as we highly value transparency and encourage our industry to follow our lead.

The reporting period covers 01 January to 31 December 2023. This report is published in March 2024. A selection of the reported data

has been reviewed by Deloitte. Please see page 45 for information about the auditor's limited assurance statement.

Orifarm has also released the Annual Report 2023 and every second year we publish a Future-Fit target setting report. All reports, also from earlier years, can be found at www.orifarm.com/publications/



CEO statement

Sustainability must be an integrated part of our growth journey

As a growing pharmaceutical company with operations and sales on several markets, we engage with stakeholders to do business in a responsible and sustainable way. Many challenges lie ahead.

Sustainability is at the core of our business in Orifarm. It is our mission to create access to high-quality affordable health. This benefits patients, customers, and society. Simply put, it is embedded in our business model to ensure the best possible quality of life for as many people as we possibly can.

However, the sustainable and responsible nature of our business does not mean that we do not have an obligation to engage with stakeholders to find suitable solutions to ESG related issues affecting our business and the world surrounding us. We surely do. Our need to develop a sustainable business is more evident than ever.

With this report we describe how we tackle the most material issues; through our sustainability strategy, prioritized initiatives, and dedicated policies and commitments to guide our employees and partners in the value chain.

Our commitments

We have taken new steps to commit ourselves to sustainability in 2023. First of all, we have committed to the Science Based Targets initiative. This helps us to set ambitious emissions reduction targets that are aligned with the Paris Agreement.

In addition, we use the Future-Fit Business Benchmark and Break-Even Goals in our assessment of impact on the planet and society.

This approach helps us to identify areas where we can improve and develop strategies for mitigating our negative impact.

We continue our commitment to the principles of responsible business conduct promoted by the UN Global Compact, a framework that aligns companies' strategies and operations with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption.

Finally, as part of Orifarm's human rights efforts in 2023, we have conducted a corporate human rights assessment. The purpose of the assessment has been to better understand human rights risks and impacts across our value chain, including own operations and business relationships across our business areas.

The journey ahead

As a business and as part of society, we have many sustainability challenges to face in the coming years. But I am pleased to see a great will to face these head-on in our Board and Executive Management Group and among our leaders and employees. We are aware that we need both competencies, tough decisions, and innovative solutions to succeed on our journey.

We are fully committed to stay transparent, engage with our stakeholders, and work together to create a responsible business, and products and services that serves the needs of patients, customers, and society.

We hope you will find useful and enlightening information in this report and invite you to share your thoughts and feedback with us.



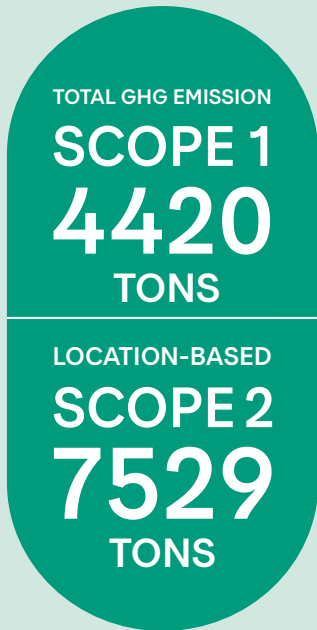
Sincerely,

Erik Sandberg



Key ESG figures

ENVIRONMENT



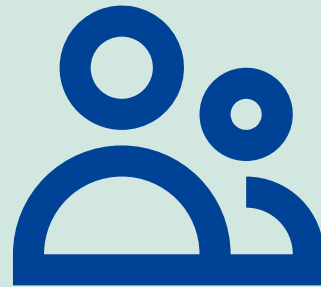
RENEWABLE ENERGY



EMPLOYEES

NUMBER OF EMPLOYEES

2,241



2,196 in 2022

EMPLOYEE TURNOVER



EMPLOYEE HIRES

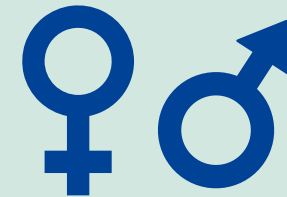
333



370 in 2022

GENDER DIVERSITY

BOARD OF DIRECTORS



17% 83%

SENIOR MANAGEMENT



26% 74%



Materiality and stakeholders

Assessing materiality to prioritize efforts

With a clear understanding of our stakeholders' needs and a thorough materiality assessment, we have set the direction for developing a sustainable and responsible business.

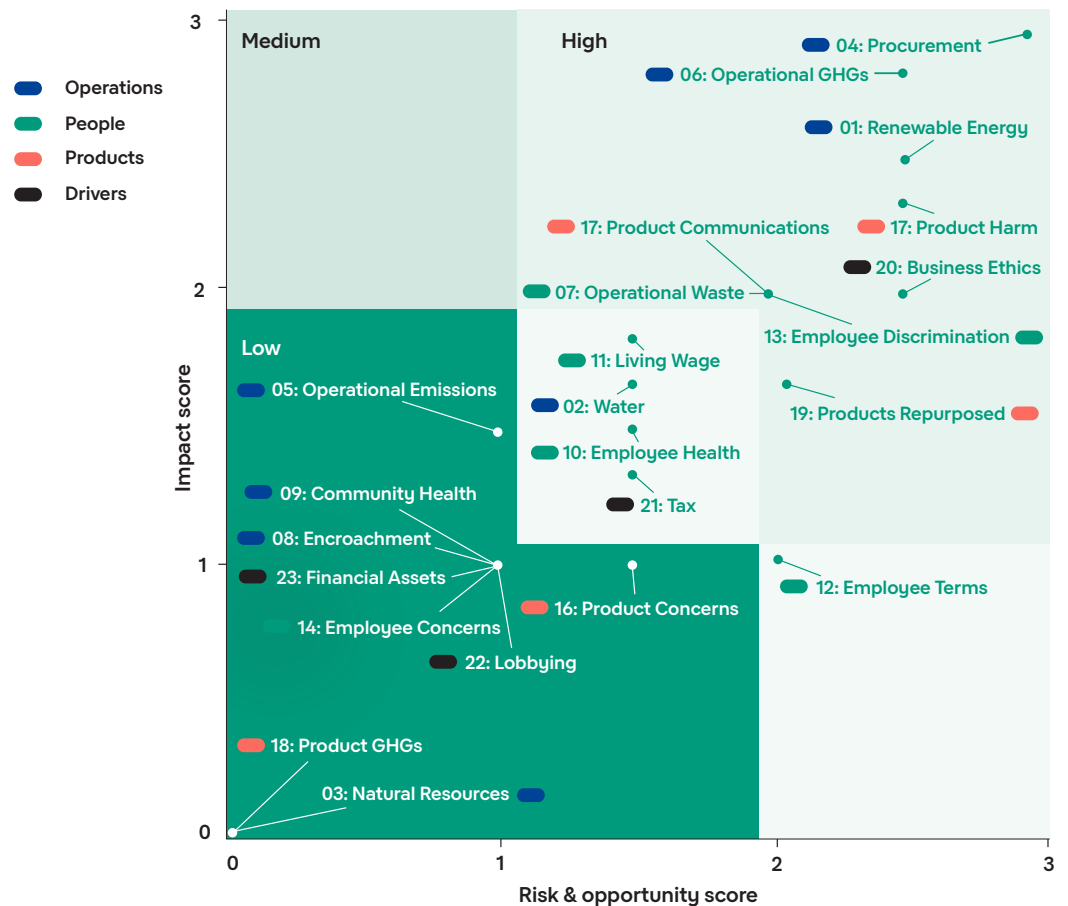
To prioritize our sustainability measures and reporting on ESG, Orifarm has carried out a double materiality assessment. We have assessed the impact our business has on people, environment, and society. Simultaneously, we have assessed how this focus on and investments in sustainability may affect our business financially. This is our Double Materiality Assessment (DMA).

The DMA process

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

The potential negative impact 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 detailed scoring has been done with the support of internal as well as external stakeholders. The combined double materiality brings nine Future-Fit Break-Even Goals into the high-risk area of impact and risk/opportunity.



The DMA topics

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)

This assessment is defining how we commence working with policies, actions, metrics, and targets for sustainability.

To set a clear direction and ambition level for the high-risk areas, we published a Future-Fit target setting report in March 2023. The report describes our focus on the important long-term targets that will drive further progress on policy, action, and metrics. Highlights from this report is also included in our ESG report 2023.

Industry specific issues

We see a good match in the Future-Fit materiality screening and the needs indicated in the drafted European Sustainability Reporting Standards (ESRSs) which will be fully implemented in our Annual Report 2025. This is a generic science-based assessment, and to secure industry specific issues are also assessed, we have reviewed the sustainability disclosure topics of the SASB Sustainability Accounting Standard for Biotechnology & Pharmaceuticals to indicate its materiality.

In this respect, only safety of clinical trial participants is not seen as a material issue as Orifarm does not conduct research and development of medicines that include initiating clinical trials. All other areas are seen as mature and are to the extent possible included in this reporting.

Stakeholder expectations

The generic materiality screening and the industry specific evaluation is our starting point for setting the direction and understanding the external expectations as well as our sustainability impacts to a larger degree. In the future, we will involve our stakeholders to a much higher extent to secure a more complete and integrated materiality assessment.

End of 2023, we initiated a process to update our business strategy. To secure anchoring of the DMA in our strategy, we will initiate a stakeholder’s involvement once our business strategy is updated.



Stakeholder engagement

The materiality assessment reflects our approach to focus our strategy and measures toward the most important stakeholders. Our customers, investors, and regulators influence our direction and thereby also impact our business strategy.

We group our stakeholders into 1) transactional stakeholders such as customers, investors, owners, banks, employees, and suppliers and 2) non-transactional stakeholders such as non-governmental organizations (NGOs), regulators, industry associations, local communities, and media.

Transactional stakeholders are defined as market participants and non-transactional stakeholders are defined as market definers, who largely define the market we operate in.

WE SUPPORT



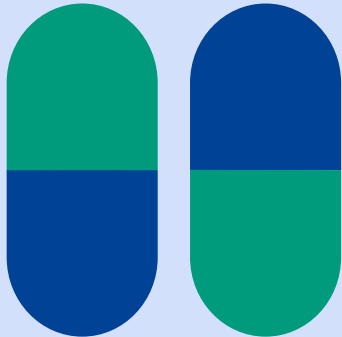
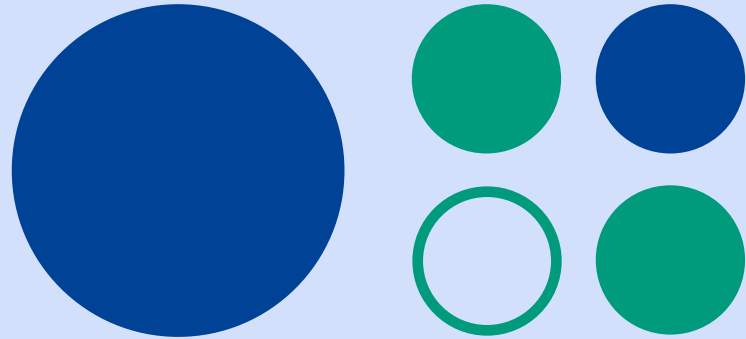
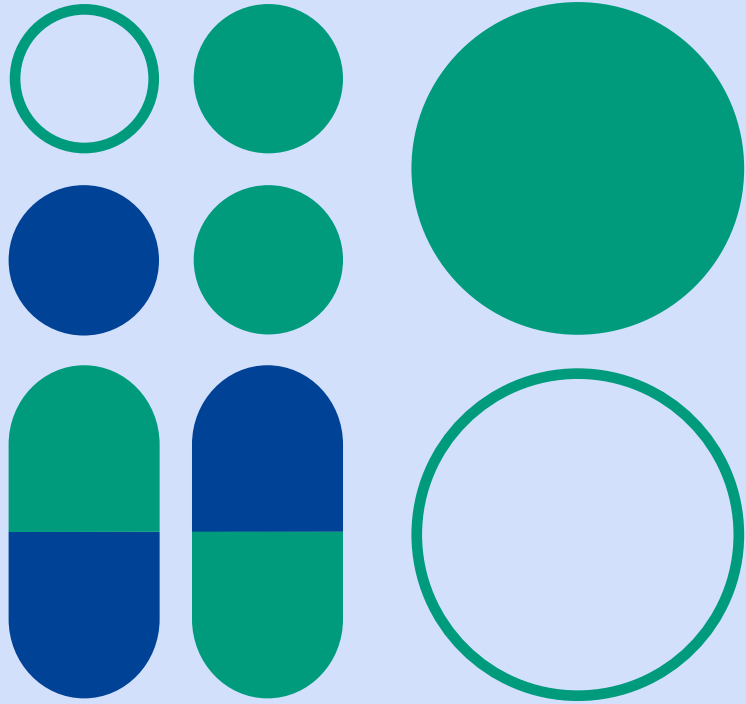
UN Global Compact
 Our UN Global Compact participation and signature on commitment to its ten key principles in areas of human rights, labor rights, the environment, and anti-corruption is where our sustainable journey sets off. We initially committed to the UN Global Compact in 2018 and reconfirm our commitment yearly by reporting on progress in our yearly ESG reports.

Memberships

Over memberships include Affordable Medicines Europe (AME), BSR, Pharmaceutical Supply Chain Initiative (PSCI), Danish Chamber of Commerce (Dansk Erhverv) (DE), and 10+ Local parallel import, distributors, and generic pharmaceutical associations.

Our business and strategy

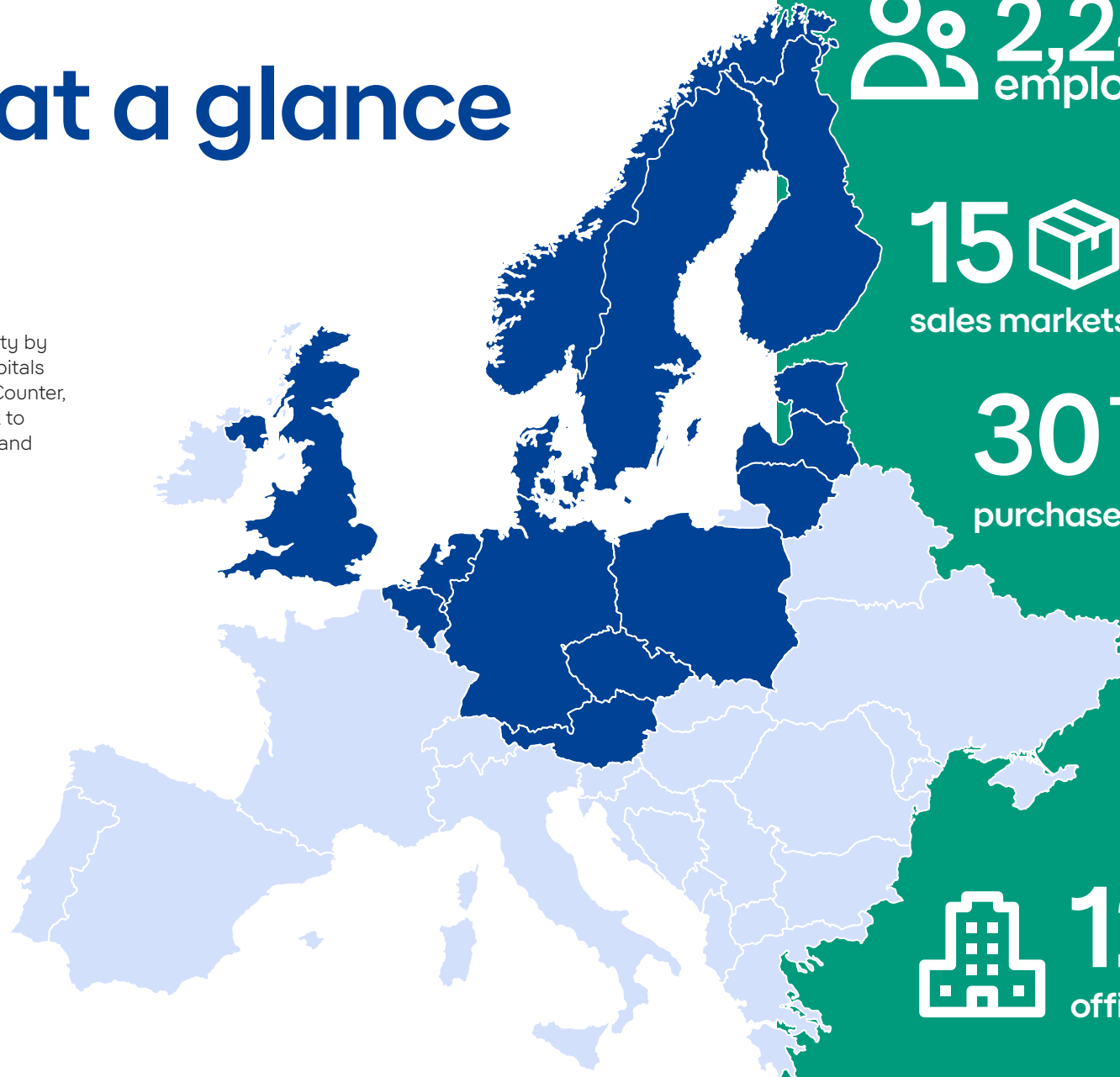
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Orifarm at a glance

Orifarm at a glance

In Orifarm, we bring Healthy Days to humanity by supplying wholesalers, pharmacies, and hospitals with a wide range of prescription, Over-the-Counter, and consumer healthcare products. We work to make healthcare a better deal – for patients and for society.



 **2,241**
employees

15 
sales markets

30 
purchase markets

6 
production sites

 **12**
offices



Business and purpose

Our purpose connects our business areas

Orifarm is an organization with a global footprint and connected business areas united in one purpose. This is the foundation for our culture, beliefs, and behaviors.

Our core purpose

In Orifarm, we have one common purpose which we all strive toward every day: For as many as possible, as healthy a day as possible.

This is our core purpose and reason for being. In all parts of our business, we work toward securing that end-consumers have access to the pharmaceuticals and treatment they need to live a healthy life.

Simply put, we want to ensure the best possible quality of life for as many as we possibly can. Our purpose is the heart of our business. It is strongly rooted in our foundation and defines our culture and who we are as a company – from our founding entrepreneurial spirit to our rapid growth into a company with global impact.

We work to make healthcare a better deal for our customers, patients, and society at large. We do so by challenging market conventions and by creating access to high-quality healthcare products.

Our business areas

We focus on three synergistic platforms: Pharma Trade, Specialty Rx, and Consumer Healthcare – aiming to provide a broad portfolio of healthcare products.

Pharma Trade

Within Pharma Trade we supply healthcare products within the following 3 business areas.

Parallel Import is based on the free movement of goods and services within the EU. We import original pharmaceuticals marketed in the EU countries, repack/relabel, and resell the products on different markets at more affordable prices for the end-users and societies.

The need for treatment is not always linked to pharmaceuticals already available with a traditional marketing authorization in the given market. To support patients in need, we use our strong and long experience of trading medicines to deliver pharmaceuticals through special authorization from local authorities. This activity is often referred to as Unlicensed Medicine.

Clinical trials are essential for developing healthcare treatments. We contribute to the development by sourcing pharmaceuticals used as comparators and co-medications in clinical trials. Our approach is a data and market intelligence-driven supply chain, making sourcing reliable for the companies performing clinical trials as part of developing new treatments.

Specialty Rx

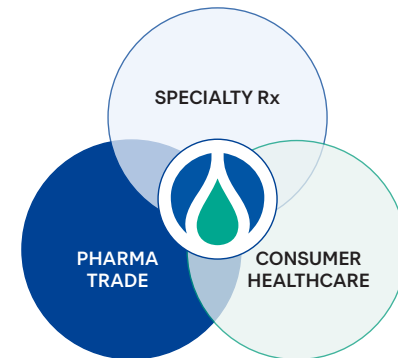
When a patent for an original pharmaceutical expires, we have the opportunity of marketing a generic pharmaceutical, which is a similar pharmaceutical containing the same Active Pharmaceutical Ingredient (API) and are subject to the same strict quality and safety requirements as the originator.

By promoting prescription medicines, we aim to enlighten patients, prescribers, and pharmacies that treatment is achievable. Doing so is essential for obtaining our overall business purpose of creating healthy days for as many as possible.

Consumer healthcare

With our Over-the-Counter (OTC) portfolio of pharmaceuticals, we deliver pain and fever relief, nasal congestions relief, products for bone health, and multipurpose herbal tonics directly to end-users without prescription. Brands in this category includes Pamol®, Ibumetin®, and Zymelin®.

To enable our customers to take care of their well-being, we also supply a variety of food supplementary products such as vitamins and minerals. This category of products is regulated outside the pharma regulation. Our products include brands such as Apovit in DK og Nycoplus in NO.



Business model and value creation

A value-creating business model

OUR BUSINESS AREAS



- Generics
- Parallel Import
- Clinical Trial Supplies
- Consumer healthcare
- Over-the-Counter (OTC)
- Promotional Rx
- Unlicensed Medicines

OUR PRESENCE



- Austria
- Belgium
- Czech Republic
- Denmark
- Estonia
- Germany
- Finland
- Latvia
- Lithuania
- The Netherlands
- Norway
- Poland
- UK
- US
- Sweden

OUR IMPACT



PATIENTS

- 84.4 million packs sold.
- 19% price reduction (effect of parallel imported medicines: copenhageneconomics.com.)
- In 2021-2022, DKK 3 bn was saved in Denmark by using generic medicines alternative (www.apotekerforeningen.dk)



EMPLOYEES

- 2,241 employees in Orifarm offices worldwide
- 333 new hires in 2023



CUSTOMERS

- +1181 own and CMO produced pharmaceuticals
- +1.000 generic marketing authorizations as well as
- +10.000 parallel import authorizations



SOCIETY

- Revenue €1,567.7m / Gross profit €268.3m / EBITDA €76.0m / 11.4% Return on equity / €12.0m Company income tax paid



Our business model is based on our capability to work together to make affordable, high-quality healthcare products available for our customers and patients.

Our main customers are wholesalers, pharmacies, and hospitals. When we challenge the market, competitors, originators, and patentholders, we ensure lower cost of high-quality pharmaceuticals and treatment for our customers. A lower cost for our customers also means a lower cost for end-users, making affordable healthcare accessible for the patients.

We provide pharmaceuticals across a wide range of healthcare areas. All our products are original products which have either been sourced and repacked/relabelled or manufactured in compliance with the health authorities' quality and safety regulations.

Our value creation provides significant savings for the societies and the patients we serve.

Our portfolio

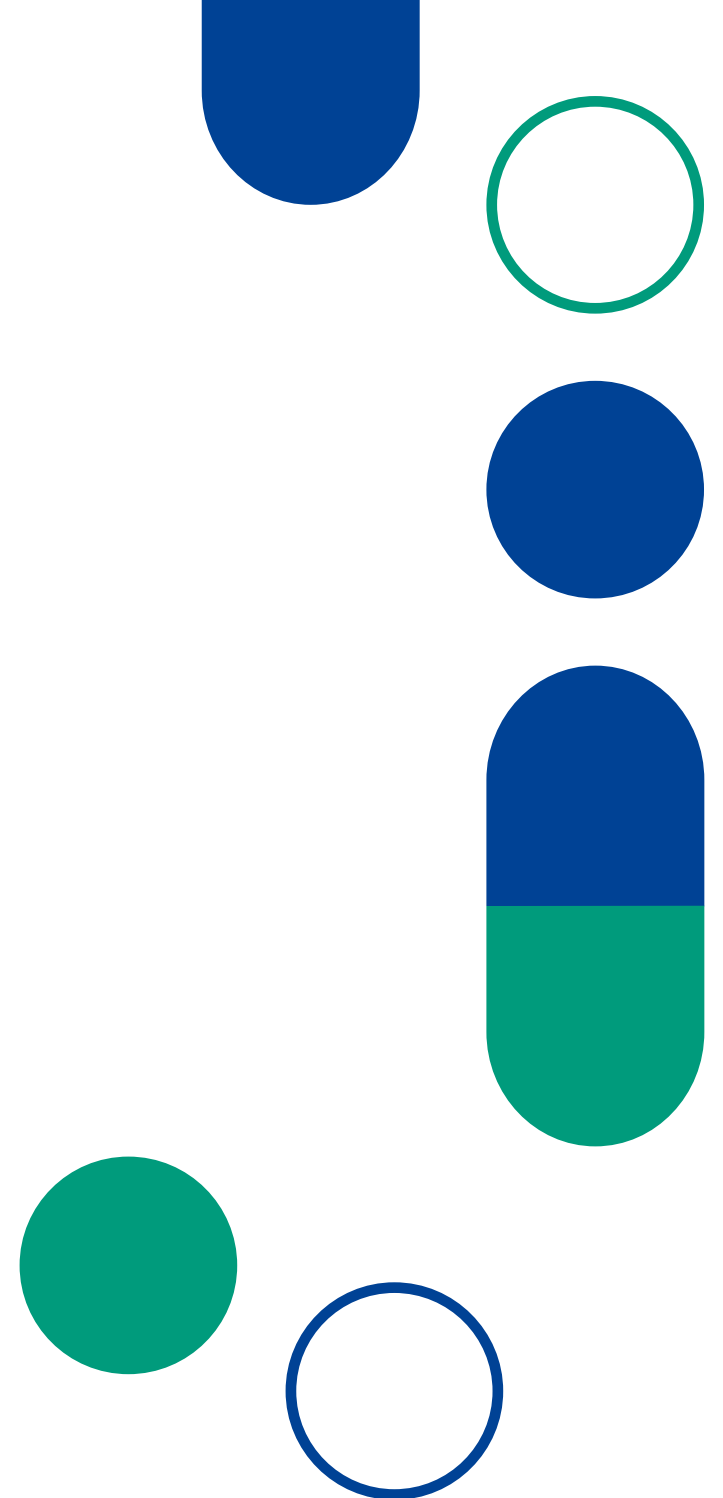
Through our seven strategic business areas, we provide a broad portfolio of healthcare treatments across several therapeutic areas and severity of illnesses. We provide treatment and relief for life-threatening diseases such as cancers and HIV.

In addition, we also provide prescription pharmaceuticals to combat non-life-threatening diseases and increase quality of life for patients suffering from diseases such as rheumatism, sclerosis, and insomnia.

With our Over-the-Counter business area, we also provide non-prescription treatments such as light painkillers, nasal congestion relief, relief from constipation, and light allergy treatment. We even provide end-users with vitamins, minerals, and food supplements to improve health.

We provide high-quality products throughout the patient's journey from prevention and alleviation to treatment and follow-up.

In January 2024, we announced the restructuring of our organization, with the merger of our two commercial areas Healthcare and Health Access.



Business strategy

Towards new heights

ESG and compliance is an important piece of our business strategy. Therefore, our sustainability strategy is closely linked with our business strategy to ensure priorities and actions support each other.

Our business strategy “Towards new heights” was introduced in 2022 and updated in 2023. It defines the overall winning aspiration set out for 2025: “We work to be No. 1 in making healthcare a better deal by making affordable, high-quality healthcare accessible for customers and society”.

Our competitive forces

We have defined our competitive forces and the foundation to successfully implement our strategy.

We will leverage our scale and combined offering. Exploit our culture of tradesmanship (købmandskab) and we will strive to manage complexity while staying agile.

The foundation is based on low costs to serve our customers in the best way, a reliable supply, and a strong focus on ESG and compliance that live up to our stakeholders’ expectations.

Our capabilities

The strategy also defines capabilities that we need to cultivate to be successful.

- We need to have the best-in-class sourcing by (1) navigating in the market to achieve the best prices and available products, (2) retaining close and long-lasting relationships with suppliers and (3) managing the complex sourcing landscape based on deep subject matter expertise and by intelligent use of data and digitalization.
- We need customer-centric sales and promotion capabilities by an outstanding price setting and ability to leverage synergies across markets and business units, a deep customer insight through strong customer relations and clear value propositions and by having a flawless commercial execution.
- We need business optimization by maintaining robust and standardized end-to-end processes that can cope with high complexity while staying agile and efficient, and digitalized processes to ensure competitive cost-to-serve ratios, and by ensuring a scalable operational model that enables effective integrations of future acquisitions.



ESG part of the strategy foundation

The business strategy is executed by four Must Win Battles:

1. Winning in sales.
2. Winning in procurement.
3. Building a scalable and efficient foundation.
4. Grow people to grow Orifarm.

ESG is directly linked to the third Must Win Battle and focus on building the needed governance structure, determining the ESG strategy, managing impact, risk, and opportunities, and defining targets and metrics for ESG.

The business strategy will be updated in 2024.



Sustainability strategy

Sustainability strategy is setting direction

Access to affordable healthcare is at the core of our sustainability strategy. It defines our company mission and serve to ensure our focus on creating healthy lives and promote well-being for as many as possible.

In 2022, we updated our sustainability strategy called "Prepare for the sustainable business transformation". It is directly linked to our business strategy and aims at defining our focus and measures to address sustainability impacts and opportunities integrated in Orifarm's business model and defined in our materiality assessment.

Part of a global transformation

The strategy is supporting the needed sustainable transformation of Orifarm and is a useful tool on the way to fulfil the Paris Agreement (2015). Also, the strategy is supporting prioritized UN Sustainable Development Goals (SDG's), and goal #3 *Good health and well-being* is an obvious centre for our strategy.

As such, our measures are designed to bring sustainable value creation and resilience to deliver healthy days on a daily basis to the patients who trust our products.

Based on our business strategy

Our business strategy is aimed at ensuring access to affordable healthcare and medicines at a global scale. We see this aim as an opportunity for responsible growth. By creating as healthy a day as possible for as many as possible and by challenging the market and in making affordable, high-quality healthcare accessible, we have a strong stake in bringing the world good health and well-being. In this way, our sustainability strategy and business strategy are

well integrated. With a direct link to our business strategy, we need an ESG ready and compliant supply chain. We realize this is calling for major improvements in the coming years. Therefore, we have appointed sustainable due diligence as a key sustainability strategy focus toward 2025.

Culture and diversity

The Orifarm culture - building on our core values of ambitions, flexibility, responsibility, and customer centricity - is a key enabler for our business strategy. In the same way, our materiality assessment illustrates that culture and behaviour - and especially employee discrimination - is an issue to take care of.

We have a strong wish to ensure Orifarm's culture develops in a way that reflects diversity and inclusion - the positive way to work on anti-discrimination. Therefore, it is an essential focus area of the sustainability strategy.

15 tracks of ESG initiatives

In 2023, we decided on 15 ESG tracks to drive our sustainability work and fulfil our strategy. The 15 tracks are owned by various members of our Executive Management Group and are all to be fully implemented by 2026.

Four of these tracks are close to be fully implemented in 2023. These tracks have a focus on:

- Creating policy framework and core processes to deliver on sustainability strategy.
- Mapping the healthcare supply chain to understand ESG risks and define our risk appetite.
- Documenting and understanding our human rights impact in the full value chain.
- Implementing the Packaging and Packaging Waste Directive.

The objective of prioritizing and implementing these tracks are twofold. On one hand, we want to be fully compliant with existing laws and regulations, including CSRD and ESRS by 2025. On the other hand, we see an opportunity to reap the commercial benefits by engaging suppliers, customers, and other stakeholders in our ESG implementation.



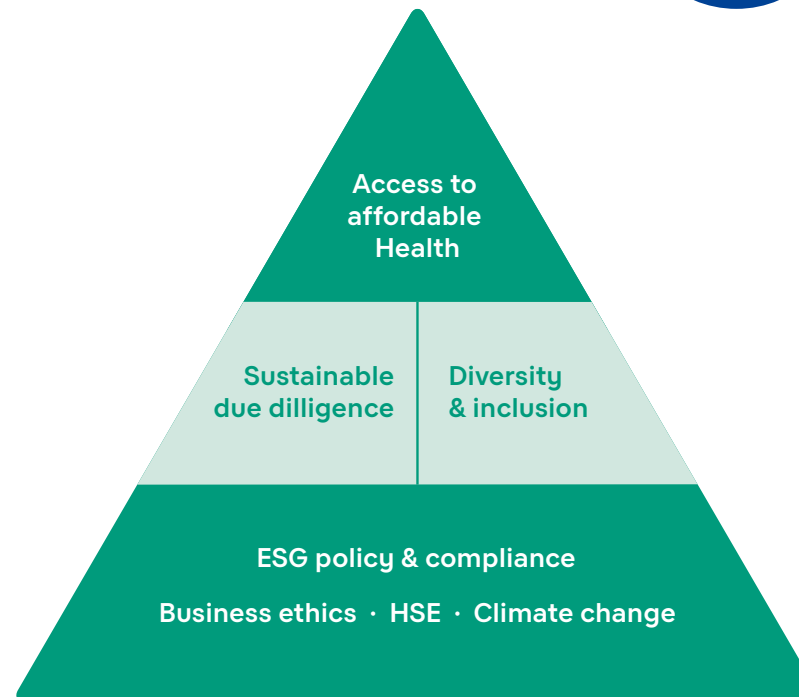
Prepare for the sustainable business transformation

Access to affordable Health: Good health and well-being by focus on access to affordable health and gradually define our role in the global access to health need as defined by WHO and Access to Medicine Index.

Sustainable due diligence: Product and supply change risk management to address identified risks through policies and actions. Focus risk are linked to procurement and product as per Future Fit materiality assessment.

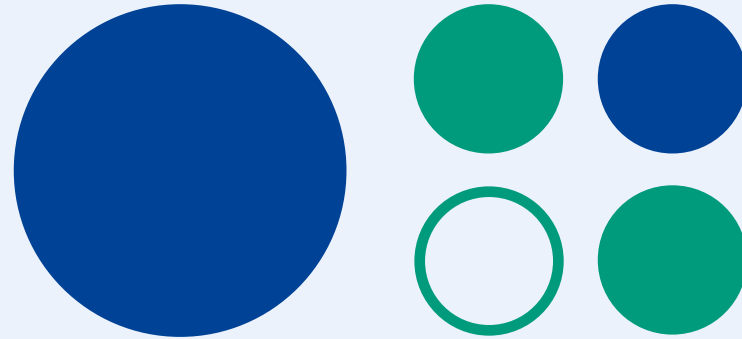
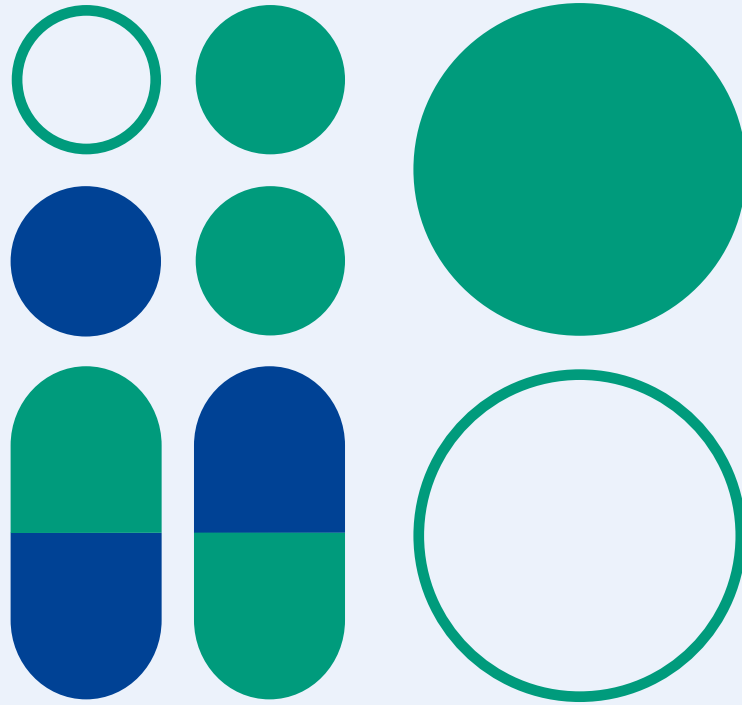
D&I: The choice to focus on anti-discrimination by building a diverse and inclusive culture as a key enabler for our business strategy.

ESG policy and compliance: Strong ESG foundation and compliance level to secure polices and actions on e.g., anti-corruption, HSE and Climate Change.



Environment and climate

- 18 Targets and commitments
- 19 Emissions and energy use
- 20 Environmental value chain
- 21 Pollution, water, and waste



Targets and commitments

Clear targets for environment and climate

OUR TARGETS

Operational GHG emissions

15,7% **SBTi-aligned interim target, 2025**
At least 15.7% reduction; no use of unbundled RECs or offsetting

42% **SBTi-approved near-term target, 2030**
At least 42% reduction; no use of unbundled RECs or offsetting

Renewable energy

>30% **>30% renewable energy, 2025**
Without use of unbundled RECs

>50% **>50% renewable energy, 2030**
Without use of unbundled RECs

Our baseline for 2022 is 21% renewable energy

Our journey to net-zero has begun, and we have defined targets, baselines, and measures to deliver on our strategy.

In the beginning of 2023, Orifarm signed the commitment letter for setting science-based targets. With our Future-Fit target setting report "Understanding the bigger picture" we have already indicated the importance of ambitious renewable energy and climate emission-reduction targets.

By now, we have set targets for our CO2 emissions and for the share of energy used by Orifarm coming from renewable sources. Our targets reach 2030 with a milestone on the way for 2025. They are ambitious and reachable and underlines our commitment to live up to the Paris Agreement (2015).

Policies and framework

Our environmental and CSR policies are guiding us toward improving the environmental impact of our business. In Orifarm, we are deeply concerned about the environmental pressures on our planet. Science is clear - action this decade is crucial for future life on the planet.

As we believe in science for our products to deliver relief and treatment to our patients, we also base our environmental performance on science. We know that more action is needed and have proclaimed climate change as a fundamental challenge to solve as part of our sustainability strategy.

TCFD is part of the journey

Dealing with climate risks according to the recommendation of the Taskforce on Climate related Financial Disclosures (TCFD) is also an integrated part of the journey that lies ahead for Orifarm in terms of climate change.

In 2022, we updated our supply chain risk assessment methodology to include a supply chain evaluation of the physical climate risks both chronic and acute. This was done as part of a bigger effort to improve supplier management in our Generics business area and shows some of the great opportunities for Orifarm to fully integrate sustainability into our core business.

In 2023, we have continued mapping climate risks. The transactional risks on policy, technology, market, and reputation are also to be integrated into our work on setting science-based targets.

Science-based targets

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.



Emissions and energy use

Committed to reducing our global carbon footprint

As a global company, decreasing our carbon footprint is essential to our strategy to support the net-zero journey.

This year we have three-year figures for total GHG emissions and two-year figures for total energy consumption and percentage of renewable energy.

Energy use from renewable sources

The energy consumption in 2023 ended at 35.242 MWh (34.816 MWh in 2022) with a share of renewable energy at 4% (23% in 2022). The share of renewable energy is partly coming from our own production of renewable electricity through PV solar panels and partly through the renewable energy share in the energy grid in the country of use.

This year, we have a lower percentage of renewable energy. This is mainly because we purchased fewer Renewable Energy Certificates (RECs) compared to 2022, as we have decided to invest in concrete efforts to improve our energy use.

Our targets for share of renewable energy are unchanged, and we believe our efforts will bear fruit in the coming years. One of these efforts have this year been our focus on implementing solar panels in Poland, aiming to achieving CO2 neutrality at our production site in Poland by 2032.

Scope 1 and 2 emissions

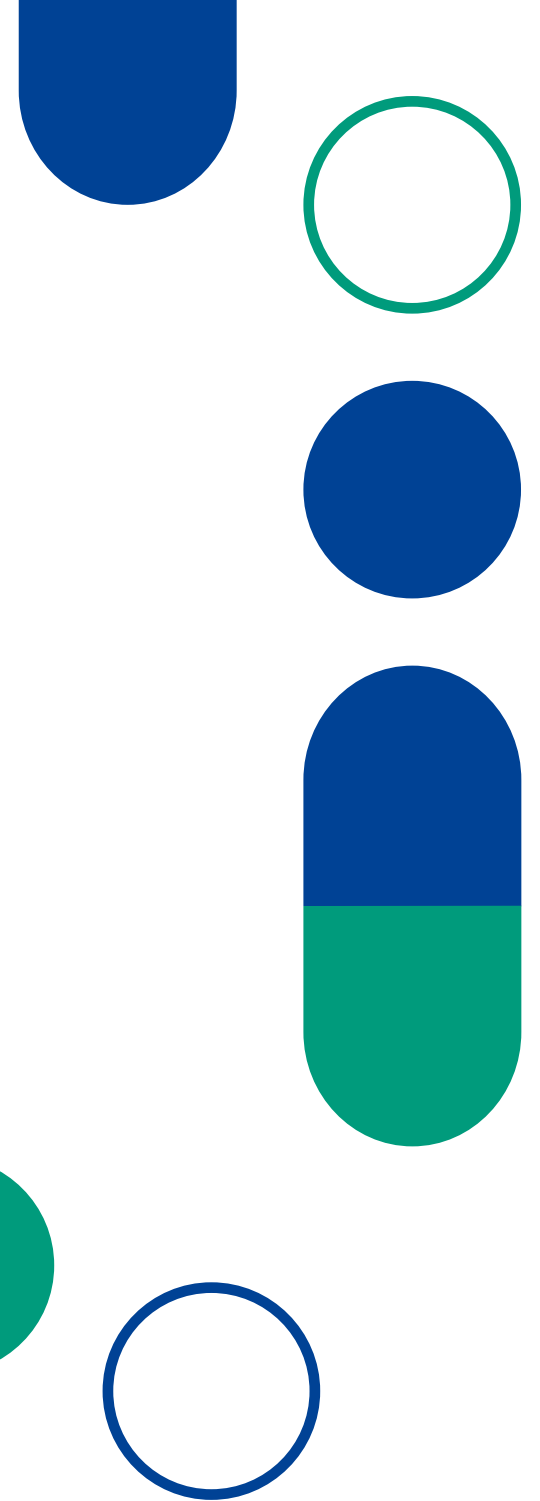
2022 was the first full year for Orifarm to include the acquired Takeda production facilities in Hobro, Denmark, and Łyszkowice, Poland. The total GHG emissions, Scope 1, ended at 4420 tons in 2023 (4315 tons in 2022).

The reduction is mainly linked to changing from natural gas and into other non-renewable options due to the volatile situation on the natural gas market after Russia's invasion in Ukraine.

For our scope 2 emissions we are reporting on both location-based and market-based emissions. The location-based emissions was reduced to 7529 CO2e tons in 2023 from 8264 CO2e tons in 2022. This is especially due to our efforts on consuming less electricity in our offices, and by replacing conventional sources of energy with renewables.

The market-based emissions increased to 11270 CO2e tons in 2023 (7206 CO2e tons in 2022). This is first of all based on our decision to end our purchase of unbundled RECs.

Finding the right setup for our use of electricity, balancing low climate emission impact, and a high degree of renewable content will be part of our work toward setting and delivering on science-based targets.



Environmental value chain

Focus on all parts of the value chain

Upstream:

This includes upstream producers and suppliers. 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 compliance, access to finance, and a positive public reputation.

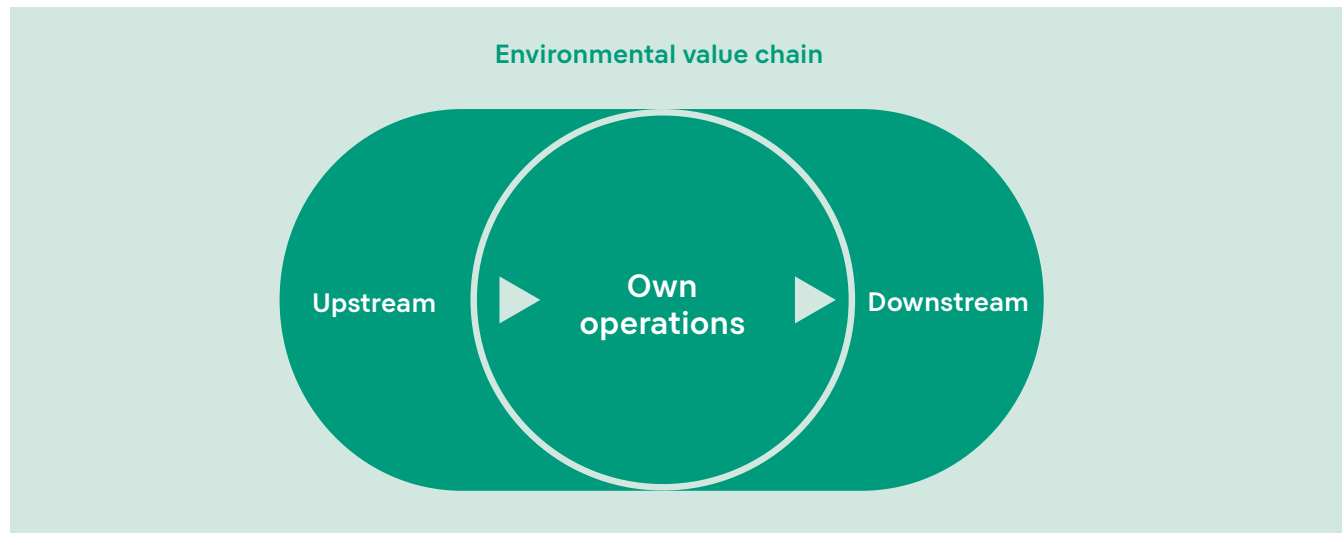
Own operations:

This includes what Orifarm can do and directly control. We have a strong focus on anti-discrimination, including 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.

Downstream:

The focus 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.

For great parts of our business, the originator of a pharmaceutical define the possibilities for us to change and improve the environmental performance through e.g., regulatory requirements. 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.



Pollution, water, and waste

Environmental concerns in the in the value chain

Our environmental concerns include pollution, use of water, waste, and use packaging material. It is not just our own concern, but also a part of our dialogue with suppliers, customers, and patients.

Pollution

In 2023, Orifarm has continued to integrate pollution and environmental concerns linked to the pharmaceutical products into our supply chain risk assessment. In this way, we assess both environmental product properties and the supply chain where it is produced. This process is part of an integrated supplier management improvement process in our Generics business area.

As a pharmaceutical company our main priorities are product quality and patient safety. In addition to this, we fully support the increasing need to raise knowledge on the environmental impact pharmaceuticals create and adding to our focus on taking more actions to lower our environmental impact.

Back in 2022, Orifarm had two breaches in Poland in relation to wastewater. We then invested in systems to improve the wastewater quality and have not experienced any breaches through our measurements since then.

Water consumption

The water consumption at our sites for 2023 ended at 51,5 thousand m³ (51.3 thousand m³ in 2022). This is mainly linked to our production site in Poland. We have no sites placed in water-stressed areas and therefore the total consumption is reported from non-water-stressed areas.

Waste

The total amount of waste was reduced from 1933 tons in 2022 to 1839 tons in 2023. Also, waste not recovered was reduced from 827 tons in 2022 to 718 tons in 2023. This is a positive tendency toward an increasing percentage of recycle waste. In 2023, we were able to recycle 13% more waste compared to the previous year.

Focus on packaging

With the intensified environmental legislations and focus on packaging material and waste Orifarm has a significant responsibility to investigate current packaging material and seek opportunities to reduce and reuse our packaging materials across our business.

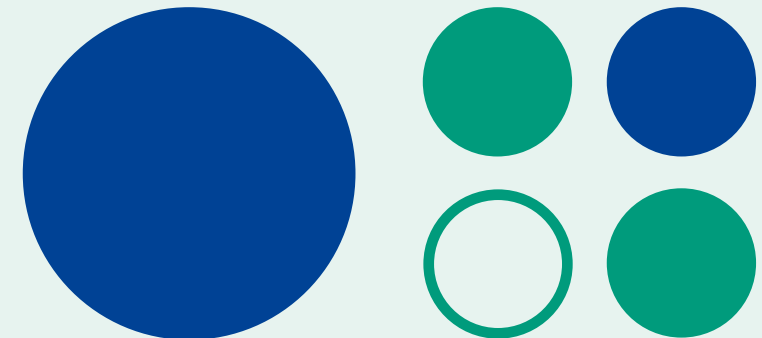
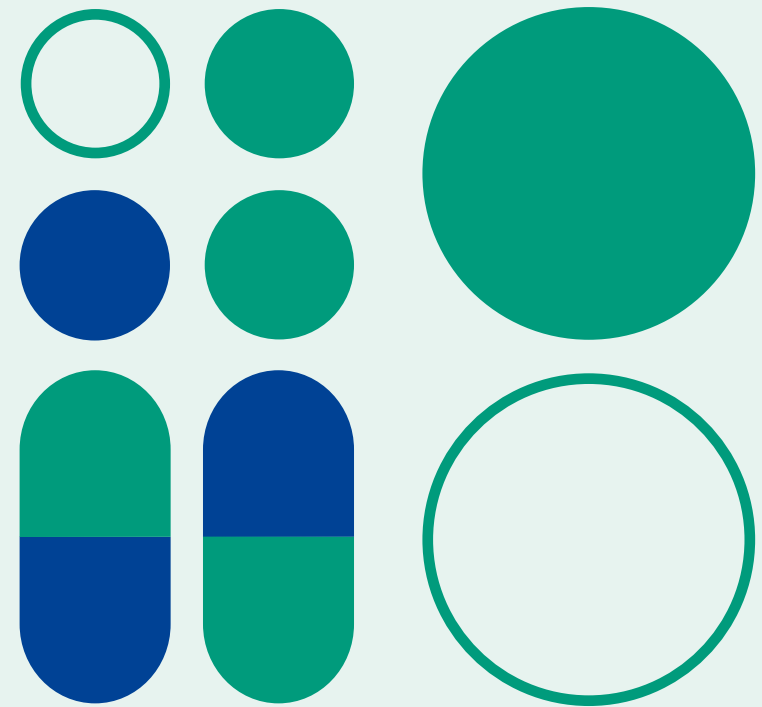
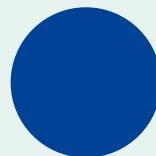
We are in the progress of investigating current data to collect and improve our master data for packaging material. To enhance processes for data from our packaging material suppliers to secure transparency in the life cycle of our packaging material and legal requirements for reporting.

It is our ambition to implement an environmental management system based on the ISO14001:2015 to secure we are in control and continuously improve our packaging materials to promote a higher environmental responsibility with our suppliers, subcontractors, and strategic partners.



People and society

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People, development and culture

Developing our people to prepare for the future

As a growing company with 30 purchase markets we realize that we have a great obligation to manage development and culture in a way that serves our company, people, and society.

2023 was a year with a lot of both internal and external changes and conditions that affected our company operationally, financially, and culturally. We implemented new policies, projects, and initiatives, but we have even more in the pipeline as we are met with both more compliance and regulation as well as a growing need to focus on people development and culture.

In 2023, Orifarm grew to 2241 headcounts at year end (from 2196 in 2022). We had 333 new hires in 2023. This has put pressure on our onboarding, social and cultural integration, and on our focus on talent and career development.

New platform for HR management

In 2023, Orifarm implemented a Human Resource IT platform. The objective of the new platform is to digitize and structure data and business processes and improve management of resources and competencies.

The system, called OrifarmPeople, includes a range of modules that has been rolled out across all countries with Orifarm representation. It includes modules for recruitment, performance management, compensation, analytics, and time management to mention just a few elements.

The system is not just a tool for people management, it will also give people in our offices a lot more insight into our common initiatives and the results they bring. All has been implemented in 2023 through a great joint effort.

The new platform will enable us to run a more data-driven people agenda in the future.

Review of people and resources

Orifarm is conducting a yearly high potential review. This assessment identifies the employees who might be able to further accelerate their developments of skills that would help us achieve our goals in the future.

With this review, we get a structured approach to high potential development and managers are better equipped to support their employees in growing their career development. The people review lets us look at how we can take advantage of the high potentials and opportunities that already exist in our organization.

We are also reviewing salaries once a year. In this case, we evaluate whether our salaries are competitive in relation to industry benchmarks.

Onboarding the Orifarm culture

Our onboarding efforts play a significant role in our capability to recruit competent and talented employees as well as ensuring a high level of retainment. In 2023, our employee turnover was 12,5% compared to 10% in 2022. During 2023 we sharpened our organization to make it fit for the strategic growth plans.

However, we realize that onboarding and retention includes many combined elements to create an attractive place to work. We believe that our DNA, core purpose, and values play an essential part in building a team spirit and a culture that is desirable for both leaders and employees. We have a great task ahead to revitalize our culture in all our offices around the world.

Policies for sustainable people management

Our CSR policy summarizes our standards and fundamental responsibility to people in our company, in our supply chain, and in the communities, we are a part of. It is rooted in our four core values: ambitions, flexibility, responsibility, and customer centricity. The values are the cornerstones in our company guiding us in our decisions and in our daily jobs. Together, the CSR Policy and the values form our ethical compass.

Our CSR Policy 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 also links to the UN Global Compact and its ten principles on human rights, labor rights, climate and environment, and anti-corruption.



Diversity and inclusion

Diversity and inclusion go beyond gender distribution

GENDER DIVERSITY

Progress (2023) Target (2027)

17% ≥ 33,33%

Share of underrepresented gender in Board of Directors

26% ≥ 35%

Share of underrepresented gender in Senior Management

These goals are aligned with the Danish Financial Statements Act Section 99b.

Orifarm has a diverse workforce with different nationalities, skills, backgrounds, genders, and cultures. We believe this is an asset that enhances our business relations, innovation, and growth opportunities.

Diversity and inclusion are key for obtaining equality and for developing a successful business. We believe different people with different backgrounds and experiences bring different ideas and perspectives to the table. This is useful for innovation and growth.

One part of diversity and inclusion is gender representation.

Diversity in management

Improving the share of underrepresented gender in our Board of Directors and in our management is highly important to Orifarm. In 2023, we implemented new targets based on the Danish Financial Statements Act section 99b.

In 2023, 17% (1 member) of the members of Board of Directors elected at the Annual General Meeting are female and 83% (five members) are male. In 2023, we have focused on strengthening the competencies and diversity in our Board of Directors in general, which did however, not lead to a change in board members. We maintain our target of 33,33% of underrepresented gender in our Board of Directors by 2027. Three additional women are part of the Board as employee-elected representatives.

In 2023, 26% of other management levels (our Senior Management) are female and 74% are male. Therefore, we also know it will take a focused effort to meet our 2027 target of having a minimum

representation of 35% women at this management level. Across all management levels, we have reached a share of 43% female and 57% male.

The action plan toward meeting the target is integrated in the Executive Management Group succession planning and is an important topic of the sustainability focus for diversity and inclusion. Also, our policy for Gender Diversity of November 2023 is pointing to five measures of implementation: Recruitment and appointment, gender diversity as a secondary factor in recruitment, inclusion, development and support, reporting, and follow-up and evaluation.

Beyond gender focus

In Orifarm, diversity and inclusion hold much more than a focus on gender. A good way to start is in the recruitment process, and when reviewing talent and leadership, we always look for a diverse mix of skills, backgrounds, genders, nationalities, and cultures. However, we know that recruitment and people reviews can include unconscious bias and we will always challenge decisions made on stereotypes and learned attitudes.

In the coming years, we will undertake other measures to promote diversity and inclusion. We will focus even more on inclusion as we know inclusion will enable diversity. Our initiatives will not only be anchored in our head office. We will also make sure to roll-out our strategic plans, policies, and projects in our local offices.



Health and safety

Increased focus on health and safety

Orifarm is in the process of professionalizing a global operation model for health and safety. Common standards are defined and the implementation across sites and markets has commenced.

To enhance the health and safety of Orifarm employees, we continually work to improve our processes and to raise awareness of the important key factors on Occupational health & safety (OH&S).

Orifarm has welcomed a lot of new colleagues during the past years, and we realize to be in a need for a global setup for OH&S. By implementing a global governance for OH&S across all business units we ensure alignment on initiatives to deliver on the global strategy for OH&S.

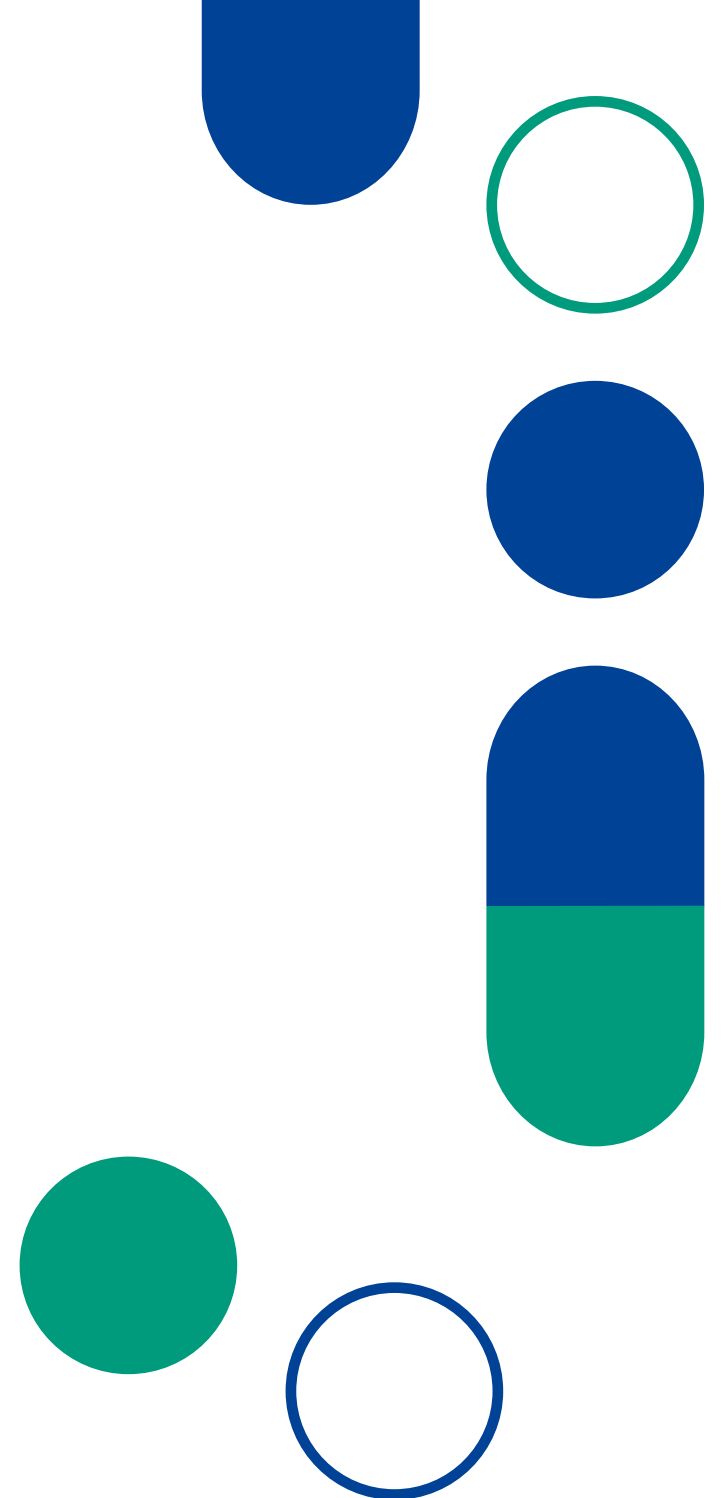
A global model for health and safety

We are in progress of developing a global operating model for OH&S based on the OH&S Management standard ISO45001:2018 and expect full implementation end 2024 in all sites.

A key enabler is to implement OH&S performance reporting to make sure we are in control of work-related injuries and near misses to understand the root cause of our incidents, manage risks, and take preventive measurements.

We are in progress of investigating our current data to ensure we have validated and reliable data. The lost time injury rate, LTI-rate (calculated as the number of LTIs per 1 million working hours), across all business units is expected in the ESG report 2024 with 2023 data as baseline for new targets.

It is our aim to implement a global structure for OH&S to ensure knowledge sharing and best practice. In this way, we will be able to plan and execute activities that consider all safety aspects and to promote a learning culture across all sites.



Human rights

Human rights to be part of due diligence

At Orifarm, we are committed to respect human rights. As we expand our presence and sourcing in many parts of the world with different cultures, customs, and traditions, it is essential for us to ensure that we do not put people's rights at risk through our direct and indirect operations.

Human rights have been part of our CSR policy for many years. It constitutes our respect for human rights and our focus to avoid infringing the human rights of involved individuals.

We believe, that we contribute in a positive manner in regards to health and well-being by making affordable and high-quality medicines accessible. But we are also aware that human rights impact go beyond our operations and product offering.

To reduce the risk of setting aside relevant human rights, we must ensure compliance with human rights related legislation. Therefore, we identify potential risks that are directly linked to our operations and to the services of our business partners, and we ensure that they are mitigated and prevented.

Human rights assessment

As part of our human rights efforts in 2023, we have worked with BSR, a global sustainable business network and consultancy, to conduct a corporate human rights assessment. The purpose of the assessment was to better understand human rights risks and impacts across our value chain including our own operations.

This assessment provided us with a human rights risk profile, including an assessment of our salient human rights risks and management systems in place to address the identified risks and actionable recommendations. It also served to elevate our overall human rights awareness.

Based on that, we are now equipped to build upon current management systems as well as develop new practices to prevent and mitigate human rights risks. Going forward, Orifarm is committed to enhancing due diligence efforts and increasing transparency through our human rights reporting practices.

Anti-discrimination

Discrimination is a material issue to Orifarm and we are taking a transparent stance against it. We have implemented effective ways to raise incidents of discrimination through our whistleblower scheme and have firmly anchored responsibility for anti-discrimination in our organization.

Our anti-discrimination measures are currently being 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 possible biases in the hiring processes.



Investing in people and society

Giving back to people and society

Orifarm is investing in people and society. This part of our business model and defines the outcomes of our everyday business operations.

Our contribution

In 2023, we provided 84,4 million packs of pharmaceuticals (84,4 million packs in 2022) to our customers that were used by patients to provide healthier days.

We hired 333 new employees in 2023 to become part of the Orifarm and thereby taking part in fulfilling our purpose by using their skills, personal as well as professional, toward creating for as many as possible as healthy a day as possible.

We continue to invest in our future growth which benefits the society and future potential job creation. In 2023, the investments were €x.xm higher than the depreciations for the year indicating a strong willingness to continue the growth of Orifarm.

We have contributed to society by paying €12.032m in Corporate Income Tax in 2023. Money that are part of financing the well-being of the citizens of the countries in which we do business.

We contribute to the local communities we operate in by hiring apprentices, student workers, and internships. Also, we have a partnership agreement with the municipality of Odense to get in substitutes in relation to maternity leave. However, our initiatives in this field are not yet systematically handled, and we expect to build a more robust plan for this in the coming years.

Our sponsorships

We proudly sponsor several humanitarian and health promoting initiatives both globally and locally. As a company with a global footprint, we believe it is important to make contributions to the society that surrounds us.

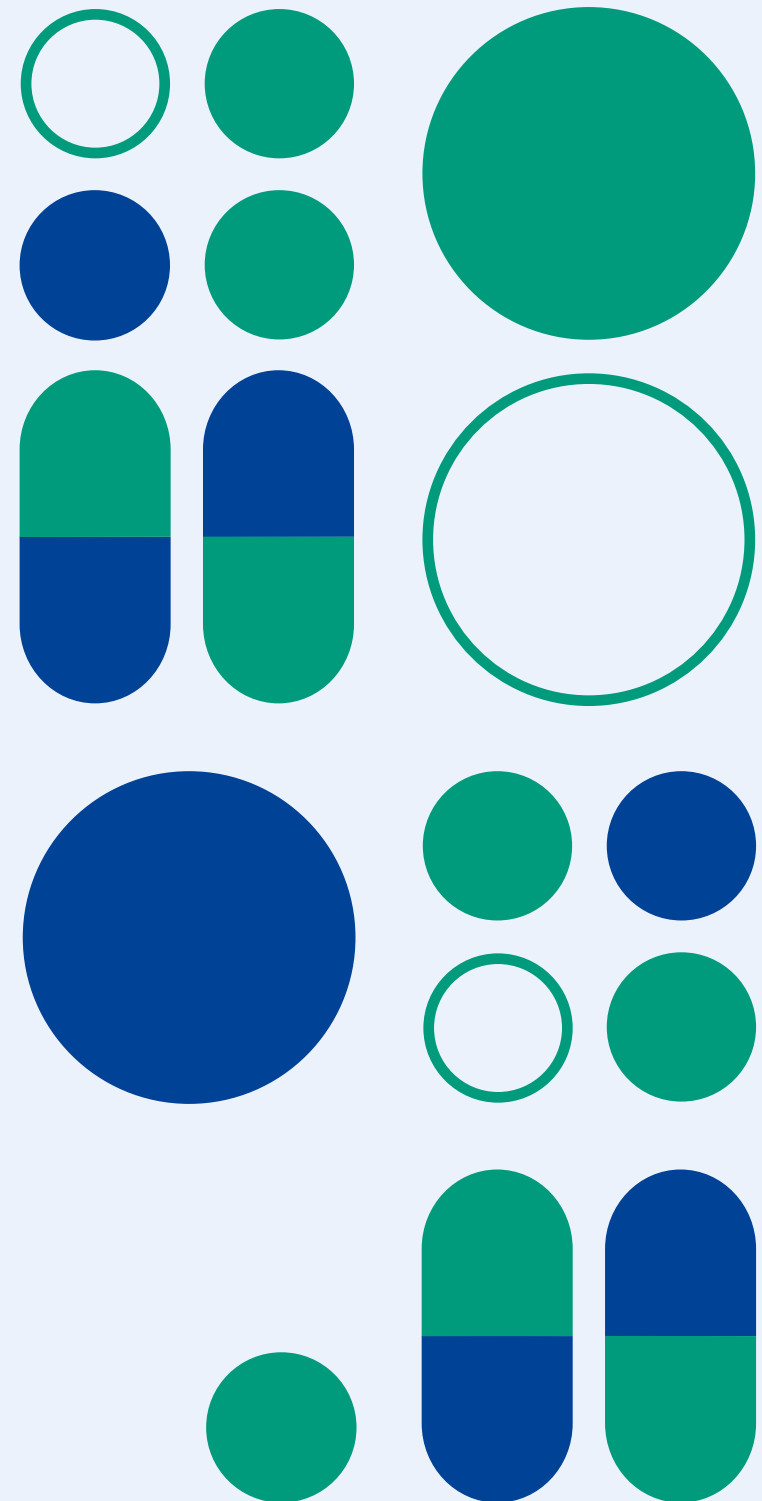
In 2023, we provided several donations, sponsorship, and performed charity work with global partners. In addition to our global outreach sponsorships and donations, we are also the sponsor of several initiatives locally in Odense, Denmark, where we are headquartered.

Our sponsorships include DanChurchAid, Supporting Ukraine, World Wildlife Fund, AF Corse agreement, H.C. Andersen Festivals, Odense Jazz Orchestra, Orifarm Øens Hold Cup and Odense Zoo.



Integrity and governance

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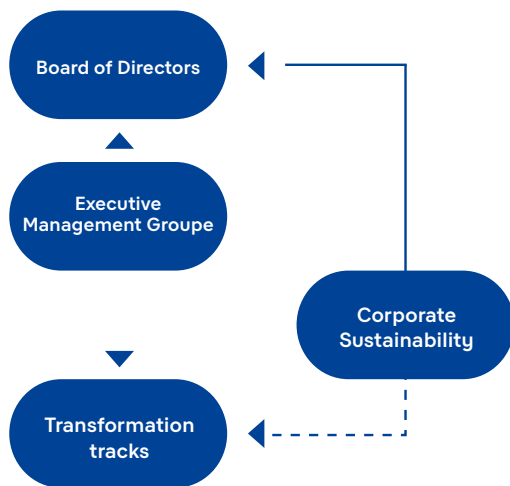


ESG governance structure

A clear governance structure for ESG

Sustainability is an integrated focus area in Orifarm’s business strategy. A clear governance structure will ensure a strong and transparent link between goals, policies, actions, and results.

Sustainability is an integrated focus area in Orifarm’s 2025 business strategy “Towards new heights”. The sustainability responsibility is held by the Executive Management Group.



The purpose of the Corporate Sustainability function is to ensure that Orifarm builds resilience in changing times and understand the risks and opportunities emerging from environmental and social impacts, as well as changing regulation requesting companies to become more sustainable.

Corporate Sustainability focuses on three major tasks:

- Setting and agreeing the overall sustainability strategy with the Executive Management Group
- Supporting the Executive Management Group ownership in deploying the strategy based on the agreed roadmap
- Reporting and communicating on progress with the aim of securing valuable stakeholder engagement

Roadmap for sustainability

The agreed sustainability focus that integrates with the business strategy is transferred into actions by an overall roadmap of tracks.

Each of the tracks are owned by the relevant Executive Management Group member with a commitment to integrate sustainability in the day-to-day development of the business. In this way, the Executive Management Group execute on the roadmap in the best and most balanced way.

Corporate Sustainability holds an important role in engaging in the long-term targets stated in the Orifarm Future-Fit target setting report “Understanding the bigger picture” and the stakeholder expectations mapped.

Governing bodies

There are two governing bodies for sustainability in the new governance setup: the Board of Directors and the Executive Management Group. The Board of Directors is represented by a strong group of individuals representing solid skills and experience within fields such as entrepreneurship, financial performance, marketing, and M&A.

The Board of Directors will be informed on sustainability progress biannually at minimum. Once in relation to the yearly performance and approval of reporting, and once in relation to the strategic development and integration of sustainability. This is done by the Executive Management Group with support from Corporate Sustainability.

Furthermore, as part of the sustainable transformation, the Executive Management Group will integrate ESG related updates into the normal flow of information e.g., climate related risks being integrated into the Enterprise Risk Management (ERM) setup.

The Executive Management Group is represented by a strong and dedicated group of employees, who hold commercial mindsets, who value the unique Orifarm culture, and who fully support the need for high quality and IT security. ESG is still relatively new to the group, and the group does not yet hold in-depth knowledge on ESG.



Accessible and affordable medicines

Affordable healthcare and medicines

As Orifarm continues to grow into an international pharmaceutical company, we see it as our obligation to provide access to affordable pharmaceuticals and healthcare. As such this is a key ESG topic in our sustainability strategy.

Access to affordable health is part of our company mission. We have worked to improve access to affordable pharmaceuticals in the EU for decades by providing lower pricing and making pharmaceuticals available where needed.

Supporting Ukraine

Orifarm currently does not have any products on the WHO prequalified Medicinal Products lists. However, of the 108 countries defined in the Access to Medicine Index, Orifarm is playing a significant role in supporting Ukraine through several initiatives.

One effort was linked to Russia's invasion of Ukraine and organized through the non-profit organization Affordable Medicines Europe, headquartered in Brussels. The Orifarm facilities in the Czech Republic were the centre of the collection of donations, including donations from Orifarm, to be distributed in Ukraine.

However, in addition to our contribution to Ukraine, we have also contributed to humanitarian aid to the civic population of Kyiv, Ukraine, through a fundraiser organized by Odense Municipality.

Affordability of medicines

It is key for Orifarm to challenge the market on accessibility and price through authorized parallel import and production of generics. Sometimes it happens that the originator of the product tries to delay or hinder the introduction of more affordable medicines.

Orifarm has a strong legal department dealing with these cases, working hard to secure more affordable medicines on the market. Our presence in the market challenges originators and patent holders, and through market competition we help keep prices at affordable levels and pharmaceuticals accessible for people who need them.

Supplier due diligence

Based on the Orifarm CSR policy and our commitment to the UN Global Compact, we are working on improving the level of due diligence to understand our ESG linked risks and opportunities better and prioritize actions accordingly.

An updated supply chain risk assessment methodology has been implemented in 2023 as part of improving our supplier management setup. The new methodology assesses both product and supply chain, and addresses ESG risks and opportunities, including physical climate risks both acute and chronic. We have assessed specific hotspots in 2023 and will continue this work in the coming years.

Our risk mitigation is well underway with a strong implementation of our Supplier Code of Conduct linked and aligned to the industry expectation through our associate membership of Pharmaceutical Supply Chain Initiative (PSCI).

A solid and integrated due diligence process is fundamental for mapping and acting further on the risks of e.g., violating human rights seen in our supply chain.



Patient safety

Patient and medicine safety first

The safety of our end users is our number one concern and is prerequisite for our business. We have implemented strong processes building on European regulation, which are continuously improved.

In 2023, we had no safety alerts linked to our products and the number of recalls were at a stable level with 15 recalls, which is similar to the number of recalls the last three years.

We never compromise on patient safety. With more than 84,4 million packs sold from our broad portfolio of products, we sometimes recall products to protect the safety of our patients.

We allow pharmacies to return medicines not sold within the guidelines on expiring date or in other ways not feasible for sale. Products returned from our customers are to the extent possible repurposed to secure minimal waste. However, returned medicines unfortunately often end in our waste stream. For 2023, we estimate a return volume of 16 tons.

We are currently not operating with post-consumer takeback systems. We do however find it important to inform patients on correct and safe disposal of pharmaceuticals. Our target for 2030 is to provide sufficient guidance on correct disposal of packaging and pharmaceuticals. This should be communicated on all products to minimize incorrect runoff of Active Pharmaceutical Ingredients into ecosystems. We wish to maximize the share of packaging that is recycled.

Falsified and counterfeit pharmaceuticals

Orifarm mostly operates within the EU where strict regulation on falsified pharmaceuticals is implemented. Two safety features are placed on our packaging for prescription pharmaceuticals and some Over-the-Counter products, as in accordance with the regulation. The features are: 1) a 2-dimension barcode (unique identifier) and 2) an anti-tampering device. The unique identifier for each individual pharmaceutical is then uploaded to a central EU repository.

The Orifarm pharmacovigilance team also focus on falsified and counterfeit pharmaceuticals when being approached with potential adverse effects and take the needed measures to inform authorities on any issues linked to this.

In 2023, we had to act one time in relation to falsified and counterfeit pharmaceuticals. We had no cases in 2022 in which this was necessary.

Code of Ethics governing promotional activities

We have implemented strong standards for approval of marketing materials to secure legal compliance. We respect the relationships between patients and healthcare professionals, and if contacted by patients, we always ask them to contact a healthcare professional for advice.

Guide for responsibility in Sweden

In 2022, a range of Orifarm products were evaluated under the new and stricter Vålvald criteria document. All products passed the evaluation. From May 2023, these 18 Orifarm product brands have been marked as Vålvald (well-chosen in English) when visiting pharmacies in Sweden.

Products that qualify to Vålvald have documented demands set on supply chain transparency regarding responsible manufacturing, human rights, and environmental handling. With the Vålvald marking, consumers are now easily guided to products that meet criteria for sustainability and transparency on shelves and online.



Apotekens krav på ansvarsfull
läkemedelstillverkning



Business ethics

Ethics and operations goes hand in hand

As a pharmaceutical company with global presence, our business is highly regulated by international laws and standards. By defining policies and principles, Orifarm wants to set high standards for business ethics.

As Orifarm is growing with a broad range of business areas, products and brands on many different markets, we see business ethics and responsibility becoming essential to our business; to gain trust and to maintain a strong license to operate.

We focus on being compliant with international regulation by adopting policies for several areas of business ethics, and we have a focus on communicating, anchoring and assessing the implementation of our ethical standards. Also, we conduct training related to ethics among leaders and employees in our offices around the world, as well as communicate standards and procedures to suppliers and other stake-holders in the value chain.

Anti-corruption, anti-bribery

As integrated in our business ethics policy and Supplier Code of Conduct, we have strong anti-corruption and anti-bribery statements and consider any form of bribery to be dishonest, morally wrong and unacceptable.

Like in 2022, we are pleased to see zero cases of bribery being reported in 2023.

The percentage of governance body members with documented passed anti-bribery training in 2023 was 55% (25% in 2022) and of the total employee base 50% completed the training in 2023 (19%

in 2022). We will continue this training program as part of building a stronger governance model essential for future growth.

Competition and trade compliance

As a part of our business code of ethics, we make it clear that all Orifarm employees must comply with the competition law (also known as anti-trust or anti-monopoly law). This prohibits conduct that harms competition and consumers.

A violation of competition law includes anti-competitive agreements, such as price fixing, market or customer sharing and bid rigging between companies. This includes abuse of market power and not notifying transactions that need to be notified to competition authorities.

Whistleblower scheme

In addition to our business ethics policy, we also have a whistleblower policy and an internal whistleblower scheme governed by an external law firm to ensure that the use of the whistleblower option can be done anonymously.

The whistleblower policy makes it clear that we have zero tolerance toward discrimination, harassment, crime, corruption, and breaches of environmental law. All employees must conduct themselves with good business ethics.

All employees and members of Orifarm Group's Board of Directors can report to the whistleblower scheme and become subject to investigations. No incidences within scope have been reported through the whistleblower scheme in 2022 and 2023.

Data ethics

Orifarm has a policy for data ethics that is approved by the Orifarm Executive Management. The policy addresses seven principles for conduct that must be followed by all employees of Orifarm:

1. Respect for customer, vendor, and employee privacy is of fundamental importance to Orifarm.
2. Orifarm consider data ethics as more extensive than mere compliance with and adherence to the law.
3. Orifarm seeks to develop a 'positive error culture' among employees, where openness about errors and problems leads to improvement.
4. Employees who access personal data have received training on proper handling of personal data.
5. Orifarm does not sell data.
6. Orifarm only share data with authorities if stipulated by law or a court decision.
7. Machine learning, artificial intelligence and use of algorithms is used to optimize the operation of Orifarm.

It is a consequence of our policy that privacy will be given preference when it must be balanced against other concerns.

The data ethics policy is communicated to all employees at Orifarm and it is part of the training related to ethics among leaders and employees in our offices around the world. Also, it is communicated to suppliers and other stake-holders in the value chain.

The above reporting is done according to the Danish Financial Act Statement § 99 d.



Code of practice

In respect to Code of Ethics governing interactions with healthcare professionals, we operate our Promotional Rx business based on the code of practice adapted in the local generic associations that we are members of. In Denmark and Sweden this link to the local variations of the European EFPIA Code of Practice.

In Norway and Finland this link to the local versions of the Medicines for Europe Code of Conduct. It is important for the Promotional Rx business team to implement uniform standards within Orifarm, which as a minimum secure compliance with the mentioned external codes.

Tax transparency

We contribute to better social welfare in the societies we do business in by paying direct and indirect taxes.

At Orifarm, we have a transparent tax disclosure practice, which clearly states that we disassociate ourselves from the use of tax havens and other methods of tax evasion. As a company, we pay corporate income taxes and other indirect taxes in all the countries in which we operate.

We pay our taxes based on our continued growth aspirations, and we expect to be able to continue to contribute to the welfare of the societies where we do business in many years to come.

Privacy and GDPR

We focus on privacy and protection of personal data throughout Orifarm, covering both the data of consumers, employees, business partners, and other stakeholders. Orifarm has taken solid measures to protect personal data and is following the EU General Data Protection Regulation (GDPR) and national personal data protection legislation. All of our white-collar employees have been educated in the GDPR.



Sustainability risks

Sustainability risks integrated in risk management system

Our ESG risk is related to several of the overall risk categories, we have defined in Orifarm. Sustainability is a fundamental element in the way we operate and do business.

Risk management

Risks linked to sustainability are integrated into our enterprise risk management (ERM) system – a process designed to identify events which could potentially affect our business undesirably. The ERM process manages risks to stay within acceptable levels.

Our ERM process is anchored with our Board of Directors and Executive Management Group, while the quarterly process of identifying, analysing, managing, mitigating, monitoring, and reporting risks is managed by our Head of Enterprise Risk.

Risk identification is completed in close collaboration with the organization and the functions responsible to feed in risks and mitigate actions. Sustainability linked risk can be present in all of our eight risk categories: 1) Compliance and regulatory risk, 2) Legal and business ethics, 3) Financial risk, 4) Funding and liquidity risk, 5) Data, processes, and tech, 6) People, 7) Supply chain and sourcing and 8) Commercial risk.

Three defined sustainability risks

The major sustainability linked risks are in the category of Legal and Business Ethics, People, Supply Chain, and Sourcing. The risks are linked to 1) Climate change 2) Bribery and fraud, and 3) Violation of human rights. The risks are addressed in our sustainability strategy and are all subject to focused projects that will ensure mitigation.

Climate change

We have got an improved understanding of potential action areas for reducing our scope 1 and 2 emissions, and a full mapping of scope 3 emission is seen as an essential next step in creating a better understanding these risks. Climate change risks are being addressed in our improved Supplier Management Process and detailed supplier specific Sustainability Risk Assessment.

In 2023, we have committed to the science-based targets initiative, which helps us to set ambitious emissions reduction targets.

Bribery and fraud

We have strong anti-corruption and anti-bribery statements integrated in our business ethics policy and Supplier Code of Conduct and we communicate to both internal and external stakeholders that we consider any form of bribery to be dishonest, morally wrong and unacceptable.

Our whistleblower scheme helps us being informed about eventual incidents. This makes it possible to act and define targeted mitigation.

Violation of human rights

To reduce the risk for setting aside relevant human rights for our business, we ensure compliance with human rights related legislation. Therefore, we have identified potential human rights risks that are directly linked to our operations.

In 2023, Orifarm conducted an assessment to better understand human rights risks and impacts across our value chain including own operations, and business relationships. This assessment

provided a risk profile, including an assessment of its salient human rights risks and management systems in place to address the risks, and actionable recommendations.

Mitigation in the supply chain

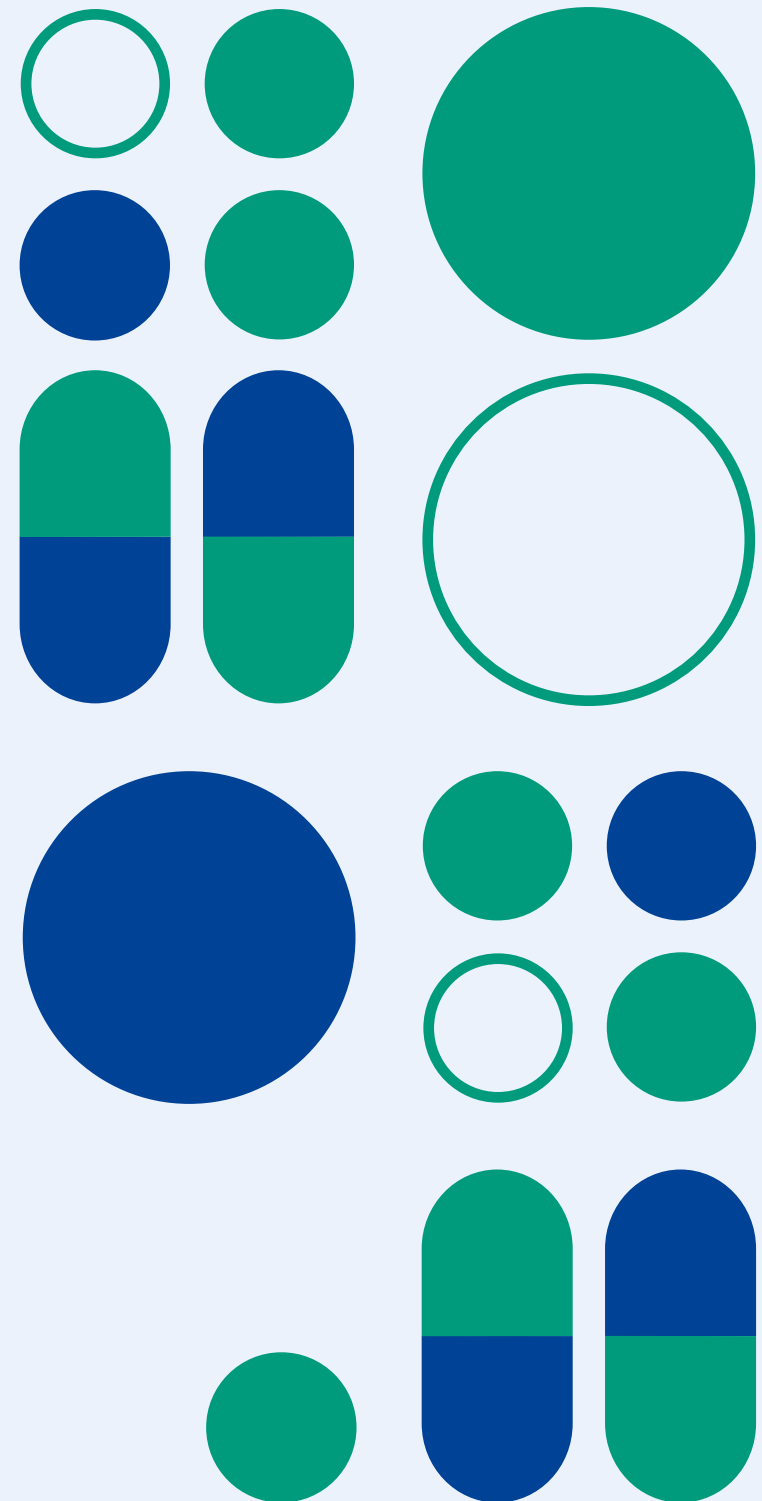
It is evident that all our sustainability risks are related to relations and processes in our supply chain. Therefore, the focus of mitigation is on anchoring policies, codes of conduct, assessments, due diligence, and implementation of ESG programmes in local offices and in the dialogue and cooperation we have with our suppliers. We need to understand and to act according to local customs and cultures, but we will also insist on exercising high standards of ethics, social conduct, and an environmental focus.

In this way sustainability risks related to the supply chain are handled and assessed in the same way as product quality and patient safety. Here risk management and mitigation are essential in ensuring a strong reputation and a license to operate.



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Accounting principles

The description of accounting policies below refers to the environment, people, and governance indicators presented on page 40 to page 44.

All Orifarm Group A/S wholly owned companies are covered by the report. Newly established and acquired companies are included from the time of being in Orifarm's control and companies are excluded from the reporting from the time of leaving Orifarm's control.

Environment & climate (e)

We report on GHG emissions in line with the recommendations in the GHG Protocol Corporate Accounting and Reporting Standard (2015) and are using operational control to report on emissions.

Total energy consumption:

With inspiration from the European Sustainability Reporting Standards (ESRS) E1-5, Orifarm reports the total energy consumption based on invoices from production and main facilities, including sites in the Czech Republic, Germany, Denmark (Hobro, Odense, Viminco in Skælskør), Poland, UK and USA.

We calculate energy consumption, based on data on electricity, district heating, natural gas, LPG, fuel oil, and jet fuel.

Data on fleet fuel and electricity consumption, as well as estimated electricity consumption for offices where actual data is not collected, is not included.

Percentage of renewable energy:

With inspiration from ESRS E1-5, we report renewable energy broken

down by fuel/energy type for the reporting period in Megawatt hours (MWh). The percentage of renewable energy is calculated in alignment with the GHG protocol market-based approach and Future-Fit. The calculation of the KPI "Renewable energy percent" using "market-based" approach according GHG protocol is presented in the ESG data overview.

Future-Fit approach:

The indicator calculated is based on Orifarm's own renewable energy production and the renewable share of electricity or heat where used.

Data on fleet fuel and electricity consumption, as well as estimated electricity consumption for offices where actual data is not collected, is not included.

For heat the information from suppliers has been used. Calculating the percentage of renewable energy using the Future-Fit methodology is only included in Note 2 and not in the ESG data overview.

In the Future-fit calculation for electricity, we have used the share of renewables as estimated based on electricity mix data found on www.ourworldindata.org.

GHG protocol market-based approach:

In the GHG protocol market-based approach only renewable electricity in which energy attribute certificates or equivalent instruments have been purchased are included.

Following statement refers to the market-based approach and Orifarm defines renewable electricity as purchased electricity in

which consumption is covered by market-based mechanisms such as Energy Attribute Certificates (EACs), or as electricity generated on-site using solar panels.

For district heating, a conservative approach is used in line with the guidance in the ESRS, assuming that the heating is generated using an energy mix and therefore cannot be classified as renewable energy.

To calculate renewable energy, we have included data for electricity, district heating, natural gas, LPG, fuel oil, and jet fuel from sites in the Czech Republic, Germany, Denmark (Hobro, Odense, Viminco), Poland, UK and USA.

Total GHG emissions, Scope 1:

Scope 1 emissions are calculated using emission factors from DEFRA.

To calculate Total GHG emissions (Scope 1) Orifarm was inspired by ESRS E1-7 and 1-8, and, as was mentioned above, stay in line with the recommendations in the GHG Protocol Corporate Accounting and Reporting Standard (2015).

To calculate Total GHG emissions (Scope 1) Orifarm uses data for natural gas, LPG, fuel oil, jet fuel, and company cars from sites in the Czech Republic, Germany, Denmark (Hobro, Odense, Viminco), Poland, UK and USA.

Total GHG emissions, Scope 2:

With inspiration from ESRS E1-7 and 1-8, we report electricity from sites in the Czech Republic, Germany, Denmark (Hobro, Odense,



Viminco), Poland, UK and USA. Also, we report district heating from Odense and Hobro.

For location-based electricity we used IEA as the source.

For market-based electricity we use AIB's residual mix data for European sites and eGRID residual mix for the US site.

For district heating we use the emission factor from DEFRA.

Orifarm also accounts for purchased renewable electricity, confirmed through Energy Attribute Certificates, and renewable electricity generated on-site using solar panels.

For offices where actual data is not available, electricity is estimated based on average electricity consumption per square meter for buildings in the EU.

Breaches of regulatory limit values

With inspiration from ESRS E2-6, we report the number of breaches of regulatory limit values in the reporting period at our own production facilities. The number is based on internal quality processes at our factories. Further information including potential financial exposures on incidents is available in the report.

Water consumption, non-water-stressed areas

No estimation is being made for offices for which no actual environmental data is collected.

With inspiration from draft European Sustainability Reporting Standards (ESRS) E3-4, we report the water consumption of drinking

water during the reporting period and according to invoices received and accepted. With reference to the World Economic Forum (WEF) white paper on measuring stakeholder capitalism, we use the WRI Aqueduct water risk atlas tool to determine areas of water stress and count high and extremely high-risk areas as areas under water stress.

Using data from WRI Aqueduct water risk atlas, Orifarm has made risk assessment of potential water risks in areas where our own manufacturing and other facilities are situated. As a result, it was determined that none of our sites are situated in water-stressed areas.

Therefore, Orifarm only reports on water consumption in non-water-stressed areas, and not on consumption in water-stressed areas. For the UK consumption was estimated proportionally based on sqm occupied and consumption for other similar non-manufacturing sites. US water consumption is not included in this ESG report.

Total waste generated

With inspiration from ESRS E5-5, we report the total amount of waste calculated as the sum of paper, plastic, mixed, and chemical waste, where chemical waste is reported as hazardous waste and the rest reported as non-hazardous waste. The numbers are based on waste handled at our own facilities and based on invoices received and accepted in the reporting period.

No estimation is being made for offices for which no actual environmental data is collected.

Improvement of waste not recovered

According to the Future-Fit break-even goal 07, we report this indicator with reference to the baseline year 2022. The not recovered waste is calculated as the total waste generated in the reporting period minus the solid waste reused or recycled in the reporting period. The improvement of waste not recovered is calculated based on the development in the waste not recovered compared to the baseline year. The baseline year as well as where no progress is seen is reported as 0%.

People & society (s)

Total number of employees

With inspiration from ESRS S1-6, we report the total number of employees at the end of the reporting period by using the headcount methodology of calculation.

Share of underrepresented gender:

– Share of underrepresented gender in Board of Directors:

In accordance with the Danish Financial Statements Act §99b, we report on share of underrepresented gender in the Board of Directors for the reporting period. The Board is defined on the basis of a headcount at the end of the year. Information has been sourced from the Central Business Register (CVR) and employee-elected members have been excluded from the calculation.

– Share of underrepresented gender in Senior Management:

Orifarm states that reporting on this KPI addresses the reporting requirements in the revised version of section 99b of the Danish Financial Statements Act.



In accordance with this guidance on targets, policy, and reporting on gender distribution in management, the underrepresented gender in Senior Management is calculated based on number of people in the first management level. This comprises the Management Committee and the people who are organizationally at the same management level as the Management Committee. This equals the Executive Management Group. The first management level compounded with the second management level which includes people with personnel responsibilities in the same legal unit, reporting directly to the first management level.

– Share of underrepresented gender in management, all levels: Reported data for all levels of management is calculated based a manager headcount at the end of the reporting year. Information has been sourced from Orifarm's payroll systems.

A manager is a professional who assumes leadership role in an organization and manages a team of a minimum of one employee in direct reference.

Employees entitled to family-related leaves

According to the ESRS S1-15, we report the percentage of employees that are entitled to family-related leave at the end of the reporting period.

Employees eligible for social security

According to the ESRS S1-11, we report the percentage of employees that are eligible for social security either through Orifarm directly or through government programs. The percentage is calculated at the end of the reporting period.

Total employee turnover

With inspiration from SASB HC-BP-330a.2, we report employee turnover for all employees excluding first line employees. The employee turnover is calculated based on the yearly number of employees leaving due to finding another job, retirement, etc. compared to the average number of employees on the payroll during the year.

Both voluntary and involuntary turnover are included in this KPI. The average number of employees is based on headcounts between 01 January 2023 and 31 December 2023. First line employees categorize as "blue collars" internally. Historically, we have reported this way as including data from blue color employees often show a high level of turnover which would not reflect the situation in the organization.

Total employee hires

With reference to GRI 401-1a&b, we report the number of total employee hires for the year split on employee level, gender, and age ratio. Numbers are based on central people and culture data for the reporting period and are calculated as headcounts.

Financial assistance received from the government

According to the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to GRI 201-4, we report the benefits received above €100.000 from any government in the reporting period linked to tax relief and tax credits, subsidies, investment grants or other relevant grants, awards, royalty holidays, financial assistance from Export Credit Agencies (ECAs), financial incentives, or other financial benefits received. The numbers are

based on the financial figures for the period and as reported in the annual report for Orifarm Group.

Total tax paid

According to the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to GRI 201-1, we report the total amount of tax paid in the reporting period. The numbers are divided by country. The numbers are based on the financial figures for the period and is reported in the annual report for Orifarm Group.

Integrity & governance (g)

Number of packs sold

With inspiration from HC-BP-000.A, we list the number of packs sold to our customers in the reporting period. The number is based on records in our Finance department.

Received settlements on introducing new generic medicines

We state the amount in EUR received from patent owners in settlements regarding non-patent owners violating an introduction of new generic pharmaceuticals. This is reported as the total amount of direct payment and indirect compensation as known by our Legal department.

Number of safety alerts for products in EU

With inspiration from SASB HC-BP-250a.1., we list the number of safety alerts leading to fines or sanctions. The number includes all safety alerts in which Orifarm holds the market authorization. The numbers are based on records in our Corporate Quality department.



Number of recalls issued in EU

With inspiration from SASB HC-BP-250a.3., we list the number of recalls issued linked to the European Medicines Agency and local EU agencies. The number includes all recalls issued in which Orifarm holds the market authorization. The numbers are based on records in our Corporate Quality department.

Total amount of products accepted for take-back, reuse, or disposal

According to SASB HC-BP-250a.4., we calculate and disclose the amount of unused products that have been returned from our customers as part of our take-back, reuse, or dispose setup. To calculate this indicator, we use data about products, their weight and number of products. We include all products in all countries where we have sales. The amount is measured in metric tons based on the recorded number of packs received at our warehousing facilities. The figure for the average estimated weight of products is updated every year.

Number of actions linked to counterfeit products

According to SASB HC-BP-260a.3. and SASB HC0302-05, we report the number of instances where we have taken action to alert regulatory authorities or law enforcement agencies with respect to counterfeit or fake medication. The reporting to European Medicines Agency and local EU agencies is included in the numbers and the actions taken are described in the report in more detail.

Total number of production facilities

According to SASB HC-BP-430a.1., we report the total number of production facilities. A production facility is a facility producing, packaging, or re-packaging our products and is 100% operated

by Orifarm. The premises may be owned or rented on a short or long-term contract.

Number of detailed and supplier specific hotspot assessments

With reference to Future-Fit break-even goal 04: Procurement, we report the total number of detailed and supplier specific hotspot assessments conducted throughout the year and according to the methodology. The number is calculated based on the activity level reported by our Strategic Procurement department as well as our Group Sustainability department.

Number and percentage of governance body members and employees completing anti-corruption training

According to the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to GRI 205-2, we report the total number and percentage of governance body members and employees completing anti-corruption training. Governance body is defined as the Executive Management Group. For employees, the split is between VP and Directors, Department and Team Managers, professionals, and first line employees.

Whistleblower cases

With inspiration to the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to GRI 3: General Disclosures 2021, 2-26, we report the number of concerns reported through Orifarm's whistleblower reporting mechanism in the reporting period. The number of cases is reported according to notifications received from the external provider involved in handling the whistleblower reporting mechanism. All employees and members of Orifarm Group's Board of Directors can report to the whistleblower scheme and become subject to investigation.

Number of corruption incidents confirmed this year, related to this or previous years. Taking into account the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to GRI 205-3, we report the total number of incidents of corruption confirmed in the reporting period split into which year the incident relates to. The numbers are reported according to the knowledge of our Legal department and Senior Management.

Total losses as result of legal proceedings associated with corruption and bribery

Regarding SASB HC-BP-510a.1., we report the total amount of monetary losses in EUR which have occurred due to legal proceedings associated with bribery and corruption. This includes all legal proceedings where Orifarm has been involved. The losses exclude legal and other fees and expenses incurred by Orifarm in its defense and in the reporting period as a result of civil or regulatory actions.

CAPEX minus depreciation for the year

According to the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to IAS 7, we report our CAPEX minus depreciations for the reporting year. The numbers are based on the financial figures for the period and as reported in the annual report for Orifarm Group.



ESG - data overview

	Note	Year			2025	Target 2027	2030	WEF-IBC	Framework reference			Limited assurance
		2021	2022	2023					SASB	Future-Fit	ESRS	
Environment												
Total energy consumption		MWh	2	N/A	34816*	35242						
Percent of renewable energy		%	2	N/A	23*	4						
Total GHG emissions, Scope 1		Tons		2318	4315*	4420						
Total GHG emissions, Scope 2, location-based		Tons		6549	8264	7529						
Total GHG emissions, Scope 2, market-based		Tons		940	7206	11270						
Breaches of regulatory limit values		Number		N/A	2	2						
Water consumption, non water-stressed areas		1000 m3		N/A	51.3	51.6						
Total waste generated		Tons	3	1,581	1933	1839						
Improvement of waste not recovered		%	3	0	0	13						
People												
Total number of employees (headcount)		Number	4	N/A	2196**	2241						
Share of underrepresented gender in Board of Directors		%	4	17	17	17	33.33%					
Share of underrepresented gender in Senior Management		%	4	N/A	N/A	26	35%					
Share of underrepresented gender in management, all levels		%	4	42	42	43						
Employees entitled to family-related leaves		%		N/A	100	100						
Employees eligible for social protection		%		N/A	100	100						
Total employee turnover		%		12	10	12.5						
Total employee hires		Number	5	N/A	370	333						
CAPEX minus depreciation for the year		Million EUR		N/A	7,503	-6,353						
Governance												
Number of packs sold		Million		70.0	84.4	84.4						
Received settlements on introducing new generic medicines		Million EUR		N/A	1.3	0						
Number of safety alerts on products in EU		Number		0	0	0						
Number of recalls issued in EU		Number		17	18	15						
Total amount of product accepted for take-back, reuse or disposal		Tons		N/A	22	16						
Number of actions linked to falsified and counterfeit products		Number		N/A	0	1						
Total number of production facilities		Number		4	6	6						
Number of detailed and supplier specific hotspot assessments		Number		0	21	53						
Percent of governance body members receiving anti-corruption training		%	1	N/A	25	55	100%					
Percent of employees receiving anti-corruption training		%	1	N/A	19	50	>95%					
Whistleblower cases		Number		1	0	0						
Number of corruption incidents confirmed this year, related to previous years		Number		0	0	0						
Number of corruption incidents confirmed this year, related to this year		Number		0	0	0						
Total losses as result of legal proceedings associated with corruption and bribery		Million EUR		0	0	0						
Financial assistance received from the government		EUR		N/A	0	0						
Total tax paid		000' EUR	6	N/A	5,055	12,032						



* These figures for 2022 were restated and further details can be found in the associated note 2.

** These figures for 2022 were restated and further details can be found in the associated note 4.

■ Framework reference present ■ Performed

Notes

Sub-totals may not sum up exactly due to the rounding of the figures in the underlying dataset

Note 1: Anti-corruption training					Note 2: Total energy consumption, MWh				Note 3: Waste					
					2022		2023							
					Percent		Number		2021		2022		2023	
Governance body members receiving anti-corruption training, Europe	Executives	25	2	33	3	GHG protocol, Market-based	Future-Fit	GHG protocol, Market-based	Future-Fit	Solid waste generated, total				
										tons	1581	1933	1839	
Number and percent of employees receiving anti-corruption training, Europe	VP and Directors	51	30	17	11	*Fuel from other non-renewable sources				of which hazardous				
	Department & team managers	56	89	68	108	6.331	6.331	5.540	5.540	tons				
	Professionals	27	311	84	973	Purchased electricity and heat, non-renewable				tons				
	First line employees	0	0	23	193	10.710	11.924	16.317	10,142	Solid waste reused or recycled				
	Total	29	430	92	1376	Total non-renewable energy				tons				
						26.980	28.194	33.784	27.609	Waste not recovered				
Total employees					Renewable energy				Percent					
					Purchased electricity, heat etc. renewable				0%					
					Self-generated renewable energy				0%					
					Total renewable energy				13%					
				Total energy use										
				*Percentage of renewable energy										
				Percentage of renewable electricity and heat										

*The indicator "Total energy consumption" "Percentage of renewable energy", "Total GHG emissions Scope 1" was changed and restated in 2022 because after closure of the ESG report 2022 it was discovered that as of April 1st 2022 Orifarm Group A/S acquired the remaining 75% of shares IQ Charter I A/S to gain 100% ownership. The company owns and operates a Gulfstream G200 airplane.



Note 4: Total number of employees

	2022													
	Female	%	Male	%	Total	%	<30 years	%	30-50 years	%	>50 years	%	Total	%
Executives	2	25%	6	75%	8	100%	0	0%	6	75%	2	25%	8	100%
VP and Directors	21	33%	43	67%	64	100%	0	0%	39	61%	25	39%	64	100%
Department & team managers	75	46%	88	54%	163	100%	1	1%	119	73%	43	26%	163	100%
Professionals	760	68%	352	32%	1112	100%	165	15%	730	66%	217	20%	1112	100%
First line employees	540	64%	309	36%	849	100%	125	15%	425	50%	299	35%	849	100%
Total number of employees	1398	64%	798	36%	2196*	100%	291	13%	1319	60%	586	27%	2196*	100%

	2023													
	Female	%	Male	%	Total	%	<30 years	%	30-50 years	%	>50 years	%	Total	%
Executives	1	11%	8	89%	9	100%	0	0%	5	56%	4	44%	9	100%
VP and Directors	20	31%	44	69%	64	100%	0	0%	38	59%	26	41%	64	100%
Department & team managers	80	51%	78	49%	158	100%	2	1%	116	73%	40	25%	158	100%
Professionals	798	68%	367	32%	1165	100%	170	15%	757	65%	238	20%	1165	100%
First line employees	537	64%	308	36%	845	100%	115	14%	416	49%	314	37%	845	100%
Total employee hires	1436	64%	805	36%	2241*	100%	287	13%	1332	59%	622	28%	2241*	100%

*These figure for 2022 were restated because after closure of the ESG report 2022 it was discovered that parts of the employee data extracted from a Microsoft Dynamics AX solution had flaws due to erroneous data entries and missing data entries. This was primarily centered around first line employees. Therefore, instead of extracting data from Microsoft Dynamics AX, the headcount was calculated based on retrieving local lists of the employees who were on the payroll in December 2022. The errors with Microsoft Dynamics AX were fixed for 2023 reporting.



Note 5: Total employee hires

	2022													
	Female	%	Male	%	Total	%	<30 years	%	30-50 years	%	>50 years	%	Total	%
Executives	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
VP and Directors	4	33%	8	67%	12	100%	0	0%	6	50%	6	50%	12	100%
Department & team managers	9	43%	12	57%	21	100%	0	0%	16	76%	5	24%	21	100%
Professionals	153	70%	67	30%	220	100%	60	27%	129	59%	31	14%	220	100%
First line employees	74	63%	43	37%	117	100%	38	32%	58	50%	21	18%	117	100%
Total number of employees	240	65%	130	35%	370	100%	98	26%	209	56%	63	17%	370	100%

	2023													
	Female	%	Male	%	Total	%	<30 years	%	30-50 years	%	>50 years	%	Total	%
Executives	1	50%	1	50%	2	100%	0	0%	1	50%	1	50%	2	100%
VP and Directors	4	50%	4	50%	8	100%	0	0%	6	75%	2	25%	8	100%
Department & team managers	4	50%	4	50%	8	100%	0	0%	7	88%	1	13%	8	100%
Professionals	126	68%	60	32%	186	100%	53	28%	114	61%	19	10%	186	100%
First line employees	81	63%	48	37%	129	100%	37	29%	68	53%	24	19%	129	100%
Total employee hires	216	65%	117	35%	333	100%	90	27%	196	59%	47	14%	333	100%



Note 6: Company Income Tax paid, 000'EUR

Payment is related to:

	2022	2020	2021	2022
Denmark	-2,943	-543	-5,503	3,103
Austria	267	0	104	163
Belgium	132	0	0	132
Croatia	0	0	0	0
Czech Republic	270	0	270	0
Estonia	0	0	0	0
Finland	86	0	45	41
Germany	1,576	478	145	953
Latvia	0	0	0	0
Lithuania	0	0	0	0
Netherlands	114	0	0	114
Norway	3,812	0	3,812	0
Poland	1,324	0	1,217	107
Romania	0	0	0	0
Sweden	315	0	-182	497
Switzerland	21	0	21	0
United Kingdom	81	0	0	81
United States	0	0	0	0
Total	5,055	-64	-71	5,190

Note 6: Company Income Tax paid, 000'EUR

Payment is related to:

	2023	*Prior years	2021	2022	2023
Denmark	-1,084	107	0	-3,249	2,058
Austria	259	22	73	0	164
Belgium	378	0	172	31	175
Croatia	0	0	0	0	0
Czech Republic	308	0	0	308	0
Estonia	0	0	0	0	0
Finland	192	0	0	88	104
Germany	1,639	44	530	74	990
Latvia	0	0	0	0	0
Lithuania	0	0	0	0	0
Netherlands	216	0	62	0	154
Norway	8,547	0	0	8,547	0
Poland	194	0	107	-19	106
Romania	0	0	0	0	0
Sweden	681	0	0	38	643
Switzerland	-2	0	0	-2	0
United Kingdom	704	0	10	694	0
United States	0	0	0	0	0
Total	12,032	174	954	6,510	4,395

*Income year 2020 and prior income years.



Statement by the board of directors

The Board of Directors has today considered and approved the ESG Report ("the Report") of Orifarm Group A/S for the financial year 1 January – 31 December 2023.

The ESG Report represents our statutory statement on corporate social responsibility in accordance with the Danish Financial Statement Act.

Further, the ESG – data overview as presented on page 40 have been prepared in accordance with the accounting principles stated on pages 36-39.

In our opinion, the Report gives a true and fair presentation of Orifarm Group A/S' sustainability activities and results of the company's sustainability efforts in the reporting period, as well as a balanced presentation of Orifarm Group A/S' environmental, social and governance performance in accordance with the stated accounting principles.

27 February 2024

Hans Carl Bøgh-Sørensen

Ole Michael Friis

Heidi Wase Skovhus

Jeffrey Martin Rope

Anders Hagh

Bettina Britt Juel Hansen

Claudio Albrecht

Gitte Alhed Poulsen

Jeanette Jæger Wallentin



Assurance Report

Deloitte.

Independent Auditor's Assurance Report on the ESG - data overview

To the stakeholders of Orifarm Group A/S

Orifarm Group A/S has engaged us to provide limited assurance on selected ESG performance data indicators for the financial year 1 January - 31 December 2023 marked in column "Limited assurance" as presented in the ESG - data overview under column "2023" on page 40 in the ESG Report 2023 of Orifarm Group A/S.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in section "ESG - data overview" nor in the ESG Report 2023, and accordingly, we do not express an opinion on this information.

Management's responsibility

Management of Orifarm Group A/S is responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the ESG data and information in the ESG data indicators, ensuring it is free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for establishing objective accounting policies for the preparation of the ESG data indicators, for the overall content of the ESG statement, and for measuring and reporting ESG data in accordance with the accounting principles presented on page 36-39 in the ESG Report 2023.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion based on our engagement with Management and in accordance with the agreed scope of work. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and in respect of the greenhouse gas emissions, in accordance with ISAE 3410 Assurance Engagements on Greenhouse Gas Statements, and additional requirements under Danish audit regulation, to obtain limited assurance about our conclusion. Greenhouse Gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the ESG data indicators are free from material misstatement, whether due to fraud or error, and prepared, in all material respects, in accordance with the accounting policies;
- forming an independent conclusion, based on the procedures we performed and the evidence we obtained; and
- reporting our conclusion to the stakeholders of Orifarm Group A/S.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied

with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement in the ESG data indicators.

To do so, we have:

- conducted interviews with data owners and internal stakeholders to understand the key processes and control activities for measuring, recording and reporting the ESG data indicators;
- reviewed evidence on a selective basis to check that data has been appropriately measured, recorded, collated and reported;
- performed analysis of data, selected based on risk and materiality;
- made inquiries regarding significant developments in the reported data;
- considered the presentation and disclosure of the ESG data indicators;



- assessed that the process for reporting greenhouse gas emissions data follows the principles of relevance, completeness, consistency, transparency, and accuracy out-lined in The Greenhouse Gas Protocol Corporate Standard Revised edition (2015) and The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and
- evaluated the evidence obtained.

Our conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us not to believe that the selected ESG data indicators marked in column “Limited assurance” as presented in the ESG – data overview under column “2023” on page 40 in the ESG Report 2023 for the year ended 31 December 2023, has been prepared, in all material respects, in accordance with the accounting principles on pages 36 to 39 of the ESG Report 2023.

Copenhagen, 27 February 2024

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Nikolaj Thomsen
State-Authorised Public Accountant
MNE no 33276

Marie Voldby
ESG Partner



Sustainable Development Goals

Where we can influence society at large



Goal: Ensure health and promote well-being for people at all ages.

UN Target (indicator)

3.8: Achieve universal health coverage, including financial risk protection, access to quality, essential health-care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all.

Orifarm contributes by:

- Providing high-quality, safe pharmaceuticals at affordable prices.

Where can we create positive impacts together with our customers and value chain:



Goal: Achieve gender equality and empower all women and girls.

UN Target (indicator):

5.1: End all forms of discrimination against all women and girls everywhere.

Orifarm contributes by:

- A discrimination policy was developed and introduced in 2022.
- We recognize the benefits of diversity in respect of gender, culture, age, education and experience.

UN Target (indicator):

5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life.

Orifarm contributes by:

- Ensuring equal leadership opportunities for men and women and setting targets for anti-discrimination.



Goal: Ensure sustainable consumption and production patterns.

UN Target (indicator):

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

Orifarm contributes by:

- We measure and report our waste with focus on improving the percentage of waste not recovered.

UN Target (indicator):

12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

Orifarm contributes by:

- In this yearly report, we provide transparent communication to our stakeholders including information on about our sustainability strategy and performance.



Where can we reduce the negative impacts of our operations



Goal: Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all.

UN Target (indicator)

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.

Orifarm contributes by:

- Employing 475 people in 2022 with indirect effect on employment at suppliers.
- A discrimination policy was developed and introduced in 2022.

8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Orifarm contributes by:

- Ensuring a healthy work environment.
- Seeking to minimize risks of human rights and labour rights violations in our organization and value chain.



Goal: Take urgent action to combat climate change and its impacts.

UN Target (indicator):

13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Orifarm contributes by:

- Specific supplier risk assessment from 2022 included evaluation of climate-related hazards and natural disasters.
- On climate mitigation we signed the commitment letter towards the Science Based Targets initiative early 2023.



Goal: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.

UN Target (indicator):

14.1: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

Orifarm contributes by:

- Acknowledging the risks of API run-off at patient level and setting targets for addressing it. Seeking to minimize environmental risks in our organization and the supply chain.



Materiality impact scoring matrix

NEGATIVE IMPACTS				
SCORING	SCALE How grave the harm is/would be	SCOPE How widespread the harm would be	IRREMIABLE CHARACTER How hard it is to put the harm right	LIKELIHOOD
0	No harm caused to the environment or people	None There is no harm, and thereby no scope	No difficulty to remediate There is no harm, therefore no difficulty	N/A e.g. the impact does not apply to the business or its supply chain
1	Minor impact caused by the company or its value chain e.g. some harm to the environment or people, but not	Minor scope e.g. a localized area or community, or affects a limited quantity of people or animals	Minor difficulty to remediate e.g. possible technically, within 2 years, and/or at a low cost	Potential e.g. There have been instances of the event in other organizations (esp. supply chain), but only on rare or infrequent occasions
2	Significant harm caused by activities by the company or its value chain e.g. contributing to partial destruction or displacement of ecosystems, or significant social challenges or illnesses	Significant scope e.g. a sizeable region and significant quantity of people or animals	Significant difficulty to remediate e.g. Technically very challenging, more time consuming (2-5 years) and/or more costly for business to remediate	Likely e.g. Has been known to occur in business and/or supply chain, or likely to become a negative impact over time (such as legacy impacts)
3	Major harm caused by the company or its value chain e.g. resulting in serious harm, or strongly contributing to ecosystem collapse or destruction	Major scope e.g. widespread area across the globe, and affects a large quantity of people or animals	Extremely difficult/impossible e.g. technically close to impossible, with critical expense and/or 5+ years	Known and documented e.g. Occurs on a regular basis or consistently in business and/or supply chain
Weight in scoring	1/3	1/3	1/3	1

FINANCIAL MATERIALITY		
PROBABILITY of occurring	MAGNITUDE of financial effect for risks	MAGNITUDE of financial effect for opportunities
N/A e.g. the impact does not apply to the business	Zero negative impact no harm to business	Zero positive impact no benefit to business
Low e.g. a low but potential risk for business	Minor negative impact e.g. resulting in little or no harm to business (financial or reputation)	Minor positive impact e.g. resulting in little or no harm to business (financial or reputation) or a minor benefit
Medium e.g. Has been known to occur in other businesses, or likely to become a risk over time	Significant negative impact e.g. would cause reputational or revenue difficulties for specific product segments or regions	Significant positive impact e.g. would cause positive reputational gain for select product segments or regions
High e.g. Inevitable risk for business, esp. in case of inaction	Major impact e.g. would cause irreversible, business-critical levels of disruption to company or affecting license to operate	Major impact e.g. would create significant and widespread reputational gain
	1/2	1/2
		1/2



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 climatefriendly 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 (CO₂), methane (CH₄) and nitrous oxide (N₂O). Less prevalent --but very powerful -- greenhouse gases are hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

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 futureproof growth by creating a roadmap of how much to reduce carbon emissions and how quickly the reduction needs to happen.

SASB

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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