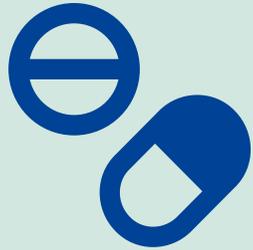




A PIECE IN THE GLOBAL PUZZLE

ESG REPORT 2022

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Introduction

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

In this yearly report, we cover our ESG progress in 2022 and discuss important learnings in the year gone by. We operate with a science based approach, and this report takes its starting point in our science based target setting. You can learn more about our targets in our Future-Fit target setting report: "Understanding the bigger picture".

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. 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 2022. This report is published in March 2023.

A selection of the reported data has been reviewed by Deloitte. Please see page 36 for information about the auditor's limited assurance statement.

This report also serves to comply with the Danish Financial Statements Act §99a, 99b, and 99d.

We believe it is important to give a transparent sustainability overview of what is impacting our business and how our business impacts our surroundings – environment and people.

As a new effort, this report takes inspiration from the white paper "Measuring Stakeholder Capitalism" published in September 2020 by World Economic Forum, and to the extent possible we report according to the following two leading sustainability frameworks:

- The EFRAG ESRS Accounting Standards draft as of November 2022
- SASB Sustainability Accounting Standard for Biotechnology & Pharmaceuticals

The inspiration and frameworks are selected based on the ambition to find a balance of simplicity and financial and regulatory needs. The SASB standard is furthermore seen important as the sector specific ESRSs are not available.

Accounting principles for all data reported in the ESG data overview on page 32 are available in the section Accounting principles on page 29.

With this, we seek to create a report that takes its starting point in the external expectations rather internal dialogues and perceptions.

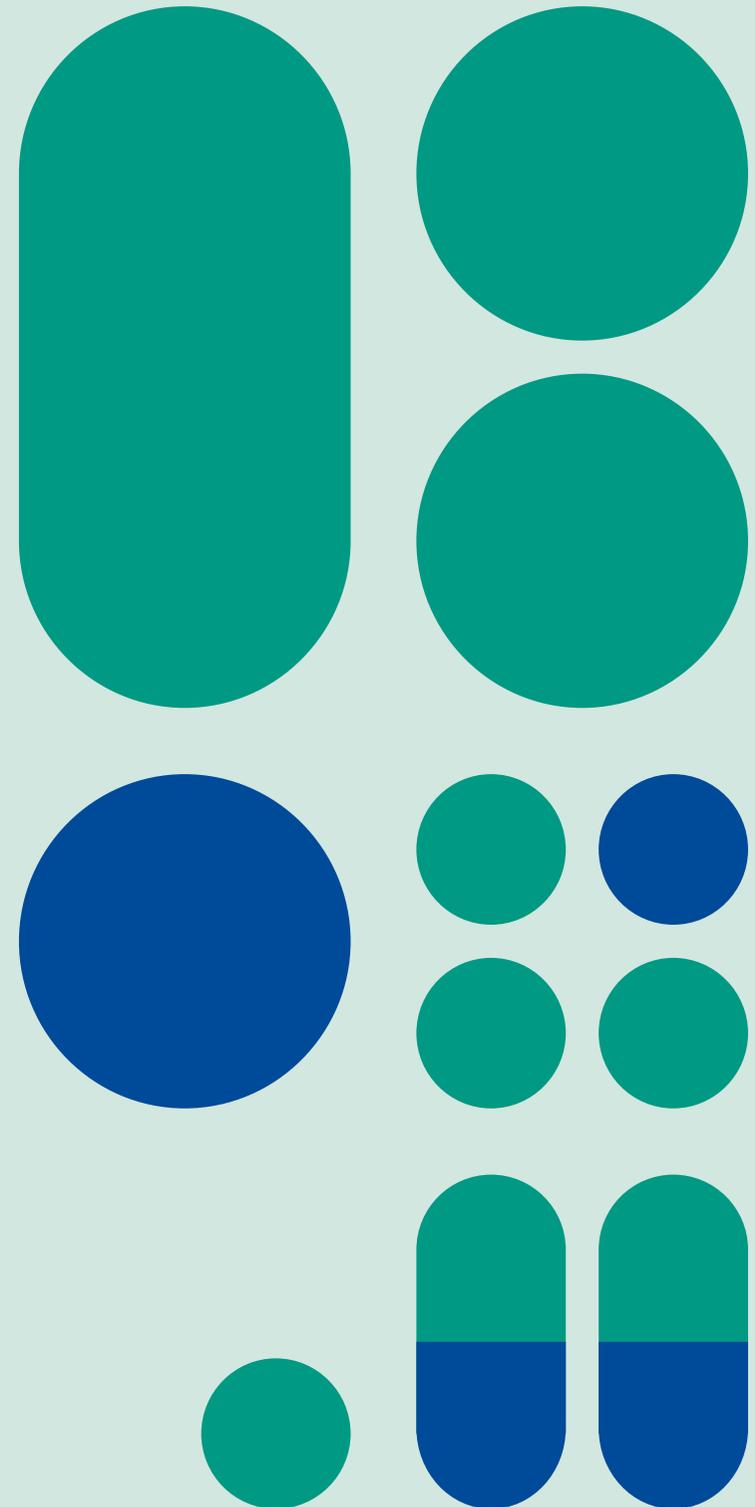
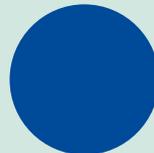
At this early stage for Orifarm, we do not have all data and information to fully report according to the standards. However, our journey has begun, and we want to transparently give you the insights into how we work with sustainability.

We encourage you to help us improve and value open dialogue with our stakeholders: please feel free to send your suggestions and feedback to csr@orifarm.com.



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CEO statement

I am pleased to present our latest sustainability report, which outlines our efforts to integrate environmental, social, and governance (ESG) considerations into our business operations, and our progress towards compliance with the draft European Sustainability Reporting Standards (ESRS).

The need for developing sustainable business hasn't been more important than today, and Orifarm constantly strive to act responsibly and find ways in which we can develop our business in a sustainable way.

As a company in the pharmaceutical industry, we continue to benefit society by creating access to affordable health – via our business models, our growth ambitions, and our actions. Staying relevant is imperative to accelerate our sustainability transition.

In 2022, we took significant steps to further strengthen our ambitions including presenting a new ESG strategy building on the foundational work performed since 2018. At the core of the strategy is our commitment to creating long-term value for our stakeholders while minimizing our negative environmental and social impacts. To achieve this, we have adopted a holistic and science-based approach that takes into account the social, environmental, and economic impacts of our operations.

We continue our long-time 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.

As a new initiative, we start 2023 committed to the Science Based Targets initiative, which helps us to set ambitious emissions reduction targets that are aligned with the Paris Agreement. This will be implemented toward 2024. In addition, we are inspired by the Future-Fit Business Benchmark and Break-Even Goals, which provides a science-based framework for assessing our 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.

As we embark on this ambitious journey, we recognize that there will be challenges, but we are committed to addressing them head-on. We will continue to stay transparent, engage with our stakeholders and work together to create a better future for everyone, ensuring as healthy a day as possible for as many as possible.

I hope you will enjoy reading the report and please share your feedback with us.

Sincerely,



Erik Sandberg



Key figures

84.4
MILLION
UNITS SOLD

REVENUE
€ 1,513.2m

PROFIT €27.4m

SHARE OF WOMEN
IN MANAGEMENT **42%**  **25%**
IN EXECUTIVE
MANAGEMENT

2316
NUMBER OF
EMPLOYEES 

370
TOTAL
EMPLOYEE
HIRES 

**RETURN
OF EQUITY**
15.3%

21%
RENEWABLE
ENERGY

**GROSS
PROFIT**
€223.9m



Business and purpose

We are an organization with a global footprint united in one, simple purpose: For as many as possible, as healthy a day as possible. By challenging market conventions, we work to make healthcare a better deal for customers, partners, communities, payers, and society at large as we create access to high-quality healthcare products. Put simply, our business model is to challenge the price of traditional supply, allowing us to create more value for the patients treated and for society.

As a for-profit organization, we are also pleased that our efforts create a profit for shareholders to develop and grow our business further.

We acknowledge that developing new medicines is costly and that clarity on payback is necessary to ensure that developing new treatments remains attractive. Only then can our industry continue to improve the lives of patients around the world.

Orifarm's business model helps the market find the balance in supply and demand by providing affordable medicines and healthcare products where needed. We do this through our seven strategic business areas.

Our two major business areas are:

Parallel Import (PI)

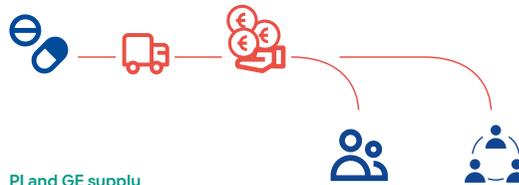
Based on the free movement of goods and services within the EU, traditional parallel import is the process of importing original pharmaceuticals marketed in the EU countries, repacking/relabeling, and reselling the products on different markets at more affordable prices for the end users and societies.

Generics (GE)

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

Simply put, we help patients and societies get a better deal.

Traditional supply



PI and GE supply

Our five additional strategic business areas are:

Unlicensed Medicines

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 is known as Unlicensed Medicines. As the largest parallel import player in the EU, we have unique access to suppliers and markets, allowing

us to source the needed treatments where they are needed the most; fast, safely, and reliably.

In 2022, we supplied more than 500 different pharmaceuticals to patients in need.

Clinical Trial Supplies

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. Using our position as one of Europe's largest traders of pharmaceutical products, we are able to shift the procurement dynamics from the standard transactional approach to a data- and market-intelligence-driven supply chain, making sourcing more reliable for the companies performing clinical trials as part of developing new treatments.

Promotional Rx

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. We have 175 different packs on the market in this business area.

Over-the-counter (OTC)

With our Over-the-Counter (OTC) portfolio, 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[®].



Consumer healthcare:

To enable our customers to take care of their well-being, we supply a variety of food supplementary products such as vitamins and minerals. This category of products is regulated outside the pharma regulation.

The latest addition to this portfolio is our new global brand mbrace™ – a series of products focused on supporting women through menopause.

Examples of our brands are:

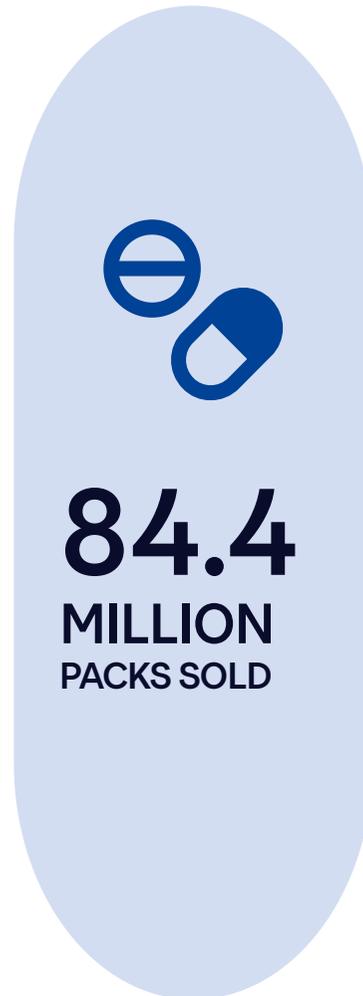
The logo for AMOL, featuring the word "AMOL" in white, bold, uppercase letters on a red rectangular background. A registered trademark symbol (®) is located to the upper right of the text.The logo for APOVIT, featuring the word "APOVIT" in black, bold, uppercase letters. A registered trademark symbol (®) is located to the upper right of the text.The logo for ibumetin, featuring the word "ibumetin" in black, lowercase letters. A registered trademark symbol (®) is located to the upper right of the text. The letter 'i' has a blue dot above it.The logo for Kodimagnyl, featuring the word "Kodimagnyl" in a blue, italicized, sans-serif font. A registered trademark symbol (®) is located to the upper right of the text. The letter 'i' has a green dot above it.The logo for Pamol, featuring the word "Pamol" in a light blue, rounded, sans-serif font. A registered trademark symbol (®) is located to the upper right of the text.The logo for NYCO/PLUS, featuring the words "NYCO/PLUS" in white, bold, uppercase letters on a dark blue, slanted rectangular background.

Value creation

BUSINESS

SOCIETAL

	PRODUCTS	MARKETS	CUSTOMERS
HEALTHCARE	<p>+1000</p> <p>own and Contract Manufacturing Organization (CMO) produced pharmaceuticals.</p>	 <p>Austria Belgium Denmark Estonia Finland Latvia Lithuania Poland Sweden</p>	
	<p>+200</p> <p>CMO produced food supplementary products.</p>		
HEALTH ACCESS	<p>+4500</p> <p>active marketing authorizations available for trading pharmaceuticals.</p>	 <p>Austria Belgium Denmark Finland Germany The Netherlands Sweden The U.K. The U.S.</p>	<p>Pharmacies Hospitals Wholesalers Retail End-customers</p>



¹ Effekten af parallelimporteret medicin (the effect of parallel imported medicines) from copenhagenomics.com

Strategy and business model

Our strategy “Towards new heights” was introduced in 2022 with 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”.

With a strong focus on our core European markets, we have global ambitions for making healthcare a better deal, always keeping our customers and end users at the centre. By serving our customers, we enable delivery of affordable pharmaceuticals and healthcare products to end users, creating for as many as possible as healthy a day as possible.

But how do we win?

We win by leveraging scale and combined offering. More than 5,500 different Orifarm products are available for our customers. We win with our ability to spot the good deal for our customers, society, and our business. We call this tradesmanship.

We win by using our willingness to invest in bringing the best portfolio to our customers.

To thrive we need a solid foundation of low cost to serve, and reliable supply from a compliant and ESG ready value chain. It all needs to be scalable.

The strategy is further detailed into must-have capabilities and management systems. Core elements setting the foundation for continued growth are being created at record time following our acquisition of numerous Takeda assets in 2021. This gives us great opportunity for a complete ESG integration with a simple and scalable governance. See governance and performance at page 17.

The strategy is executed via four Must Win Battles: 1) Winning in sales, 2) Winning in Procurement, 3) Building a scalable and efficient foundation, and 4) Grow people to grow Orifarm.

ESG is directly linked to the third Must Win Battle and focus on building the needed:

- Governance
- Strategy
- Impact, risk, and opportunity management
- Targets
- Metrics

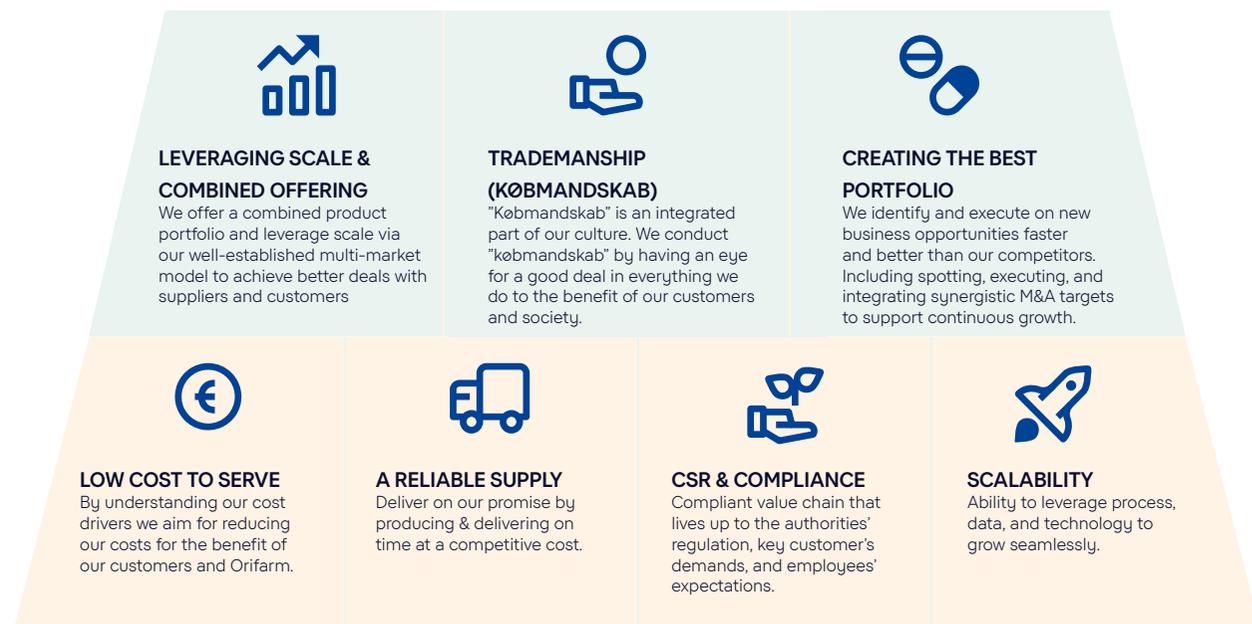


Fig. How to Win integrates ESG as a core part of our strategy



Sustainability strategy

The updated sustainability strategy: “Prepare for the sustainable business transformation”, delivers directly to the corporate strategy as set out on page 10 and relates to sustainability impacts and opportunities integrated in Orifarm’s business model and focus areas. The aim of the strategy is to build an ESG compliant and Future-Fit foundation that can be leveraged into the next company strategy supporting the needed sustainable transformation of Orifarm.

The strategy is designed to bring sustainable value creation and resilience to deliver healthy days on a daily basis to the patients who trust our products.



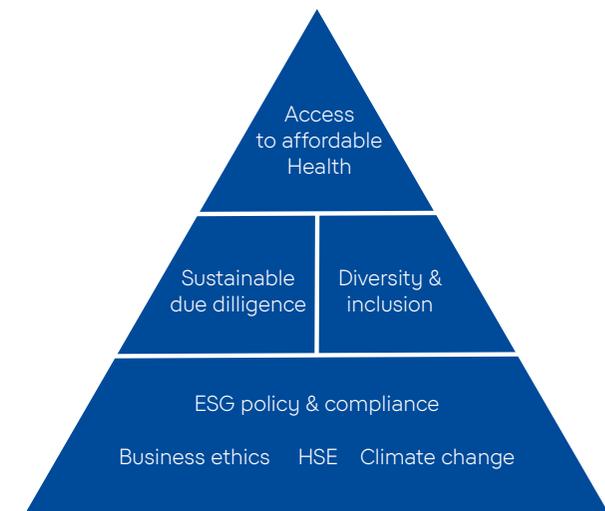
The strategy commence in our support to UN Global Compact and where we can positively influence society at large: the UN Sustainable Development Goal (SDG) number 3 “Good health and well-being”

With our core purpose of creating as healthy a day as possible for as many as possible and our mission to challenge the market and make affordable, high-quality healthcare accessible, we have a strong stake in bringing the world good health and well-being. On a global scale, we continue to see access to affordable health as the major opportunity for Orifarm to do more for global growth. And for that reason, this is what we have set out to accomplish in our business strategy. Based on the SASB Sustainability Accounting Standard for Biotechnology & Pharmaceuticals materiality screening, we know that this is a material issue that we will mature more in coming years. See materiality and engagement section on page 13.

With direct link to our business strategy, we need an ESG ready and compliant supply chain. Customers, investors, and regulators are setting high expectations already, and are calling for major improvements in the coming years. Due to this, we have appointed sustainable due diligence as a key sustainability strategy focus toward 2025. Based on the Future-Fit Materiality assessment, we know that this is a material issue that needs immediate action

The Orifarm culture - building on our core values of ambitions, flexibility, responsibility, and customer centricity - is a key enabler for our business strategy. We know from the Future-Fit Materiality assessment that employee discrimination is a material issue, and we have a strong wish to secure that the Orifarm culture develops in a way that reflects diversity and inclusion – the positive way to work on anti-discrimination. The Executive Management Board has therefore decided to make Diversity & Inclusion the third and last focus area of the 2025 sustainability strategy.

The 2025 sustainability strategy: “Prepare for the sustainable business transformation”



Access to affordable Health: Aspiration for continued contribution to SDG3: 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 via 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



Sustainability risks

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. At the same time, 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, analyzing, managing, mitigating, monitoring, and reporting risks is managed by our Head of Enterprise Risk.

Risk identification is completed in close collaboration with the organization by each function stipulating with whom responsibility to feed in risks and mitigate actions lie. Sustainability linked risks can be present in all of the overall internally defined eight risk categories.

8 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
- 8 - Commercial risk

The identified major sustainability linked risks are in the category of Legal and Business Ethics, Supply Chain, and Sourcing. The risks are linked to bribery and fraud, violation of human rights, and climate change. All risks are addressed in our sustainability strategy as also described in this report on page 11.

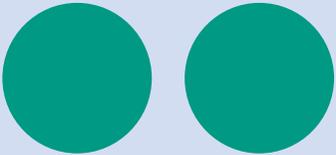
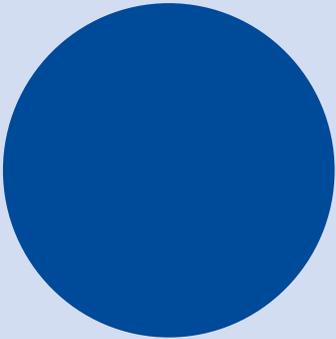
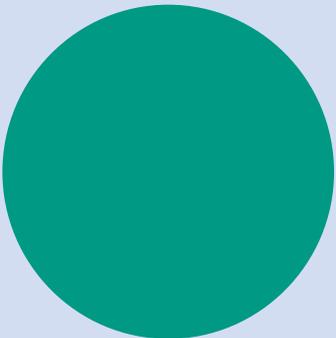
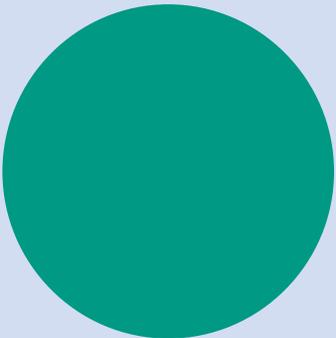
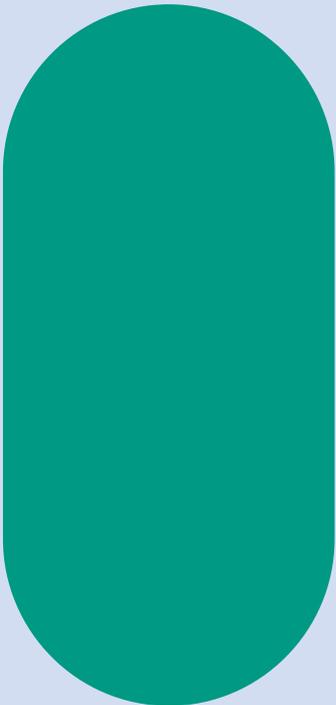
When it comes to climate change risks, the recommendations on scenario work from the Task Force on Climate-Related Financial Disclosures (TCFD) have not yet been initiated. The transition risks linked to policy, technology, market, and reputation have however to some extent already been integrated into our ERM system. A full mapping of scope 3 emission is seen as an important next step in creating a better understanding of this type of risks.

Physical climate change risks are being addressed in our improved Supplier Management Process and detailed supplier specific Sustainability Risk Assessment. In continuation hereof, we also refer to section on due diligence on page 22. The overview of physical climate change risks and target setting to mitigate as recommended by TCFD has not yet been initiated. However, we start 2023 committed to the science based targets initiatives, which helps us to set ambitious emissions reduction targets.



Materiality and engagement

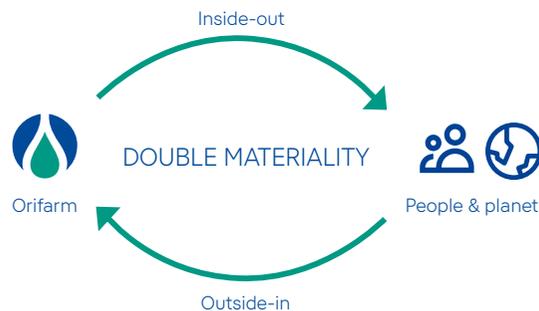
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Materiality screening

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

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



The process used to determine the materiality 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 on environment and society is evaluated based on scale, scope, irremediable character, and likelihood, whereas the financial materiality is evaluated based on probability of occurrence and magnitude of financial effects. See full materiality impact scoring matrix on page 40.

The detailed scoring has been done with the support of internal as well as external resources.

The combined double materiality is bringing nine Future-Fit Break-Even Goals into the high-risk area of impact and risk/opportunity. Please refer to the overview on the next page:

The high risk areas are:

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

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

To set a clear direction and ambition level for the high risk areas, we have published a Future-Fit target setting report. This is our way of focusing on the important long-term target setting to drive further progress on policy, action, and metrics.

Further industry specific material issues impacting stakeholders

We see a good match in the Future-Fit materiality screening and the needs indicated in the drafted European Sustainability Reporting Standards (ESRSs). 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 mature and are to the extent possible included in this reporting.

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 transactional and non-transactional stakeholders to a much higher extent in order to secure a more complete and integrated materiality assessment. To secure anchoring of the complete assessment in our strategy, we will initiate this involvement once our business strategy is to be updated. Only then will it become part of Orifarm's core.



Materiality screening matrix

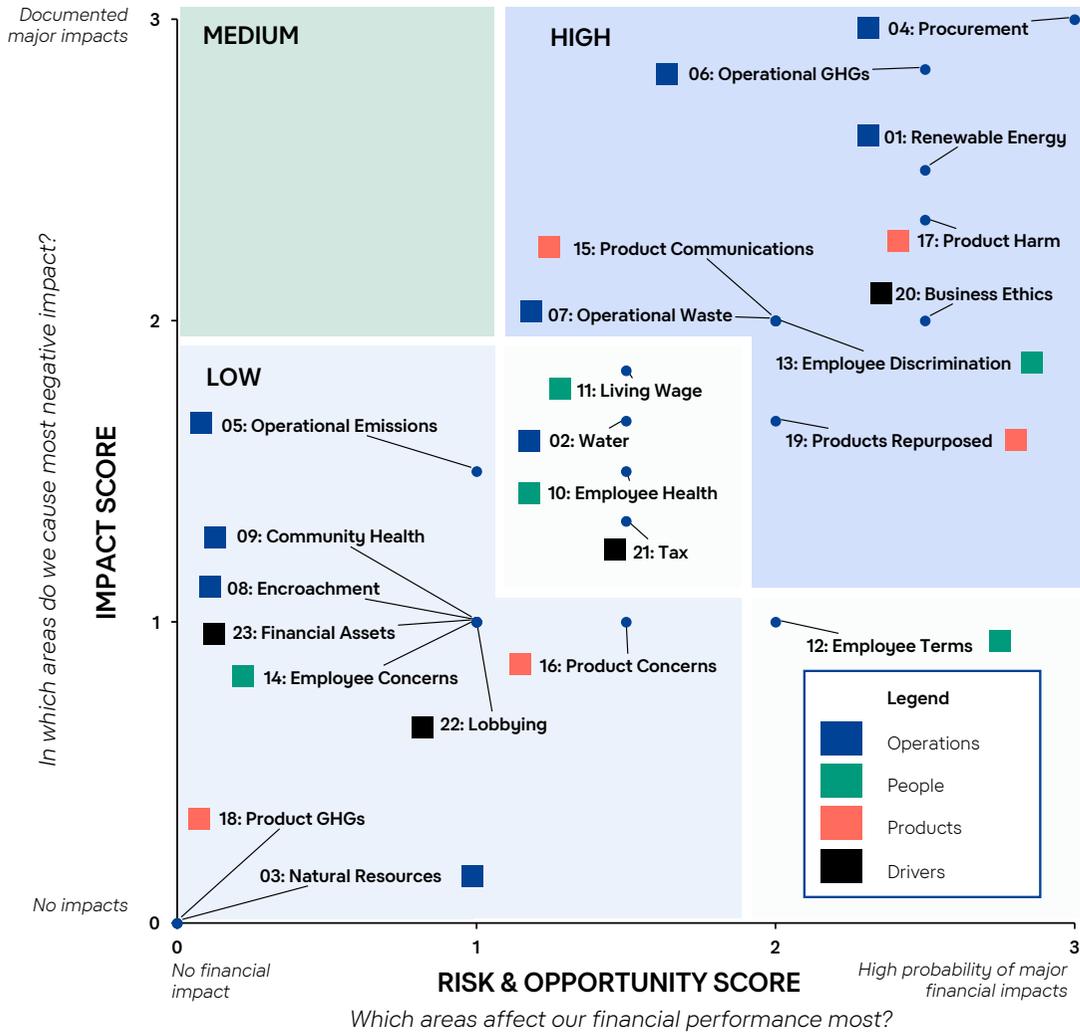


Fig.: Orifarm materiality screening matrix



Stakeholder engagement and memberships

Stakeholder engagement

The materiality assessment reflects our focused approach to align our sustainability strategy: "Prepare for the sustainable business transformation" toward the needs of the most important stakeholders. Our customers, investors, and regulators largely influence our direction thereby also impacting our business strategy.

We group our stakeholders in two: 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.

Memberships

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.

Further memberships:

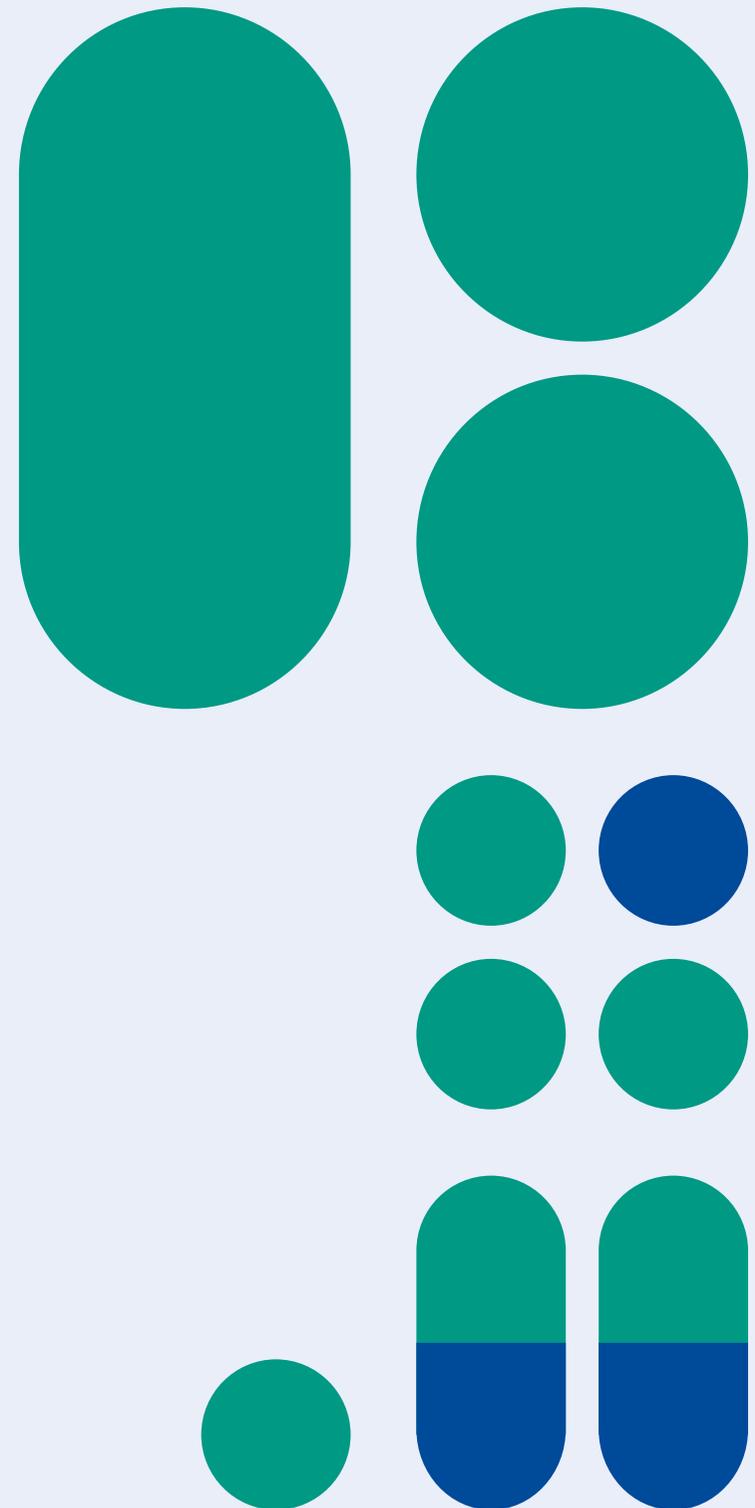
- Affordable Medicines Europe (AME)
- Pharmaceutical Supply Chain Initiative (PSCI)
- Danish Chamber of Commerce (Dansk Erhverv) (DE)
- 10+ Local parallel import, distributors, and generic pharmaceutical associations etc.

WE SUPPORT



Governance and performance

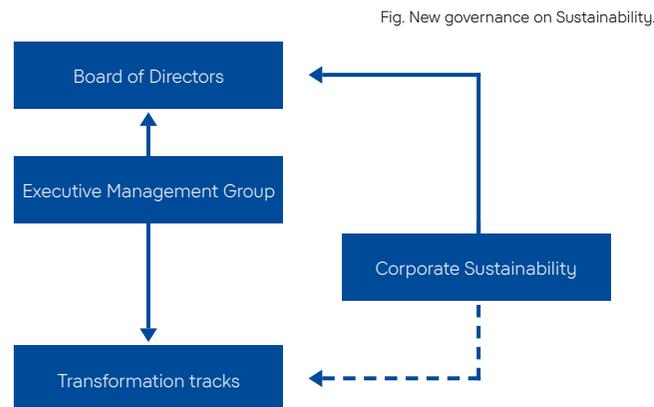
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ESG governance structure

In 2022, the governance structure of sustainability in Orifarm changed and was simplified. This was a result of a clear management standpoint of sustainability needing to be an integrated focus area as also set out in the 2025 business strategy "Towards new heights".

The full sustainability responsibility is now held by the Executive Management Group and the former sustainability committee has been discontinued. The former sustainability committee has been fundamental in initiating the sustainability dialogue and taking the first steps in the sustainability journey of Orifarm.



The purpose of the Corporate Sustainability function led by our Director of Sustainability is to secure 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

The agreed sustainability focus that integrates with the business strategy is transferred into actions via 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 areas 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.

Quality of governing bodies

There are two governing bodies for sustainability in the new governing 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. ESG is a new focus area for the group. The group generally has a good understanding of the increased importance and new compliance requirements.

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.

The first meeting on performance and approval of reporting took place on 07 March 2023. 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.

Based on a thorough internal assessment of our current sustainability performance and high-level evaluation of stakeholder expectations e.g., customers, investors (banks), and regulators the full Executive Management Group was engaged on 14 November



2022 by Corporate Sustainability to decide on the strategic way forward for sustainability. Important levers such as transparency level, customer and supply chain engagement, and communication were discussed and a clear direction decided upon.

15 transformation tracks toward 2025 were presented and after individual meetings with the members of the Executive Management Group members, ownership was distributed among the members. Thereby, the building of ESG competence within the Executive Management Group has started. In 2023, Corporate Sustainability will engage the Executive Management Group quarterly at a minimum. The last meeting took place 22 February 2023, where Governance, Target Setting, and Performance was part of the agenda.

The clear and simple governance structure is pivotal for the sustainable transformation of Orifarm. We see both our strategy as well as the governance model for sustainability to be designed to transform sustainability into the normal business setup and take advantage of the already well defined governing bodies to do so.

Integration of sustainability performance in bonus program

Orifarm has a well-functioning bonus program for all employees with potential payout twice a year. The goals are shared by all and fully linked to the financial performance. We are fully aware of this important lever in the process of the sustainable transformation of Orifarm. As we are early in the sustainable transformation process, we evaluate the need for time to build competences and pilot value adding activities based on the 15 defined transformation tracks before this lever is used.



Performance



Governance

Access to affordable health and medicines

This is the key ESG topic named in our sustainability strategy as an overall aspiration to do more as part of our company growth. We do so, as access to affordable health is part of our company DNA. We have worked to improve access to affordable pharmaceuticals in the EU for decades by providing lower pricing and making pharmaceuticals available where needed.

As Orifarm continues to grow into a global pharmaceutical company, we see it as our obligation to provide access to pharmaceuticals and healthcare globally. 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 has already played 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 center of the collection of donations, including donations from Orifarm, to be distributed in Ukraine. However,

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

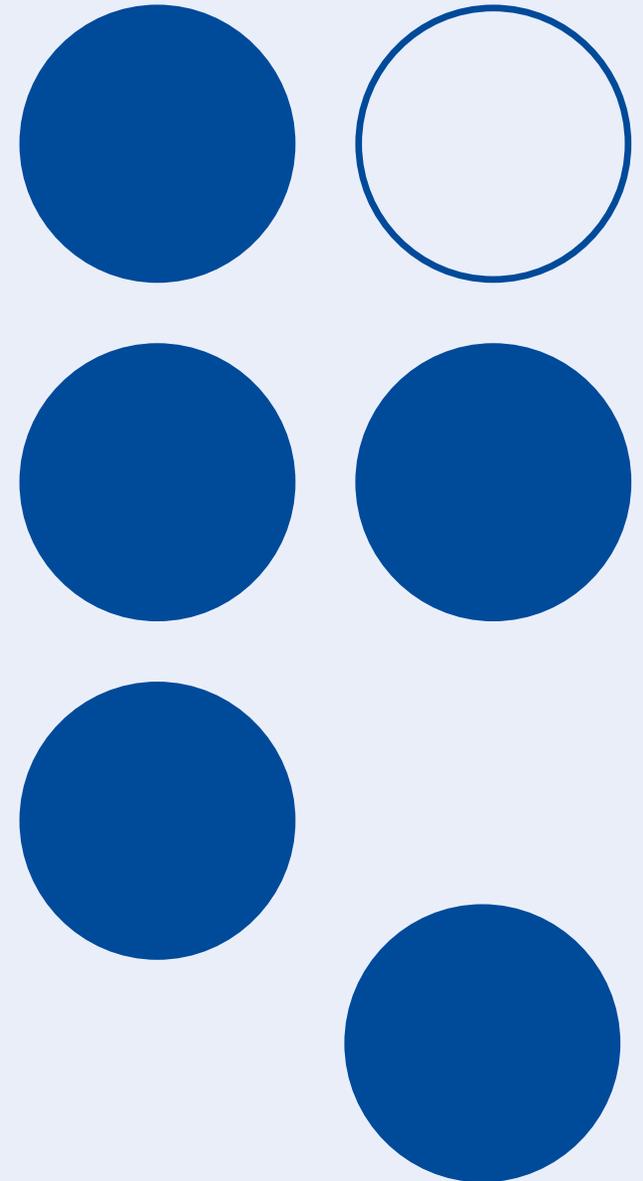
Affordability of medicines

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. Sometimes our presence and the competition we bring result in originators taking legal action to keep us out of the market.

From 01 December 2019, this was the case in Denmark, Sweden, Finland, and Norway. A patentholder tried to stop Orifarm from marketing a generic product by arguing patent infringement. However, their patent was invalidated, and the courts found no grounds that the patentholder should keep Orifarm off the market. For this reason, the patentholder was liable to compensate Orifarm's loss of €1.3m in Norway.



Patient and medicine safety

The safety of our end users is our number one concern and is pre-requisite for our business. We have implemented strong processes building on European regulation, which are continuously improved. In 2022, we had no safety alerts linked to our products and the number of recalls were at a stable level with 18 recalls, a considerable decline since 2020. We never compromise on patient safety. With more than 84 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. In 2022, we estimate a return volume of 22 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 and have set targets to do more in this area. See more in our Future-Fit target setting report: "Understanding the bigger picture".

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 to 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 2022, no actions toward falsified and counterfeit pharmaceuticals were deemed 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.

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 developed during 2022 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. 21 detailed and supplier specific hotspot assessments were conducted during 2022 and the work continues 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 membership of Pharmaceutical Supply Chain Initiative (PSCI)².

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. Further improvement of this is part of the 15 Executive Management Group owned transformation tracks and is planned to take its point of origin in an overall due diligence mapping planned for 2023.

In 2022, a range of Orifarm products were evaluated under the new and more strict Vålvald 3.0 criteria document. All products passed the evaluation. From May 2023, you will find these Orifarm products marked as Vålvald (well-chosen in English) when you visit pharmacies in Sweden.



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Ethical behavior

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. A mandatory interactive training program has been developed and is provided to selected employees to secure continued focus on the importance of high business ethics in Orifarm. 432 employees (19%) of our employees completed the training in 2022.

We are pleased to see zero cases of bribery being reported in 2022.

In addition to our ethics policy, we also have a whistleblower policy and an internal whistleblower setup governed by an external law firm to secure that the use of the whistleblower option can be done anonymously if preferred by the reporter. All employees and members of Orifarm Group's Board of Directors can report to the whistleblower scheme and become subject to investigations. One incidence has been reported through the whistleblower scheme in 2021. The case has been handled and closed during 2022.

The percentage of governance body members with documented anti-bribery training in 2022 was 25% and of the total employee base 19% completed the training in 2022. We aim to give this more attention as part of building a stronger governance



model essential for future growth.

When it comes to guidance and advice about ethical and lawful behavior, our legal department plays an important role in providing this guidance.

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 Practice³. In Norway and Finland this link to the local versions of the Medicines for Europe Code of Conduct⁴. It is important for the Promotional Rx business team to implement uniform standards within Orifarm, which as minimum secure compliance with the mentioned external codes.

Data ethics

Orifarm has a policy for data ethics that is approved by the Orifarm Executive Management. The policy addresses Orifarm's respect for the customer, vendor, and employee privacy. In situations where privacy must be balanced against other concerns, privacy will be given preference. Orifarm safeguards the handling of personal data and ensures that this data is not stored for a longer period of time than necessary nor made broader available than necessary, in relation to technical, functional, and legal purposes.

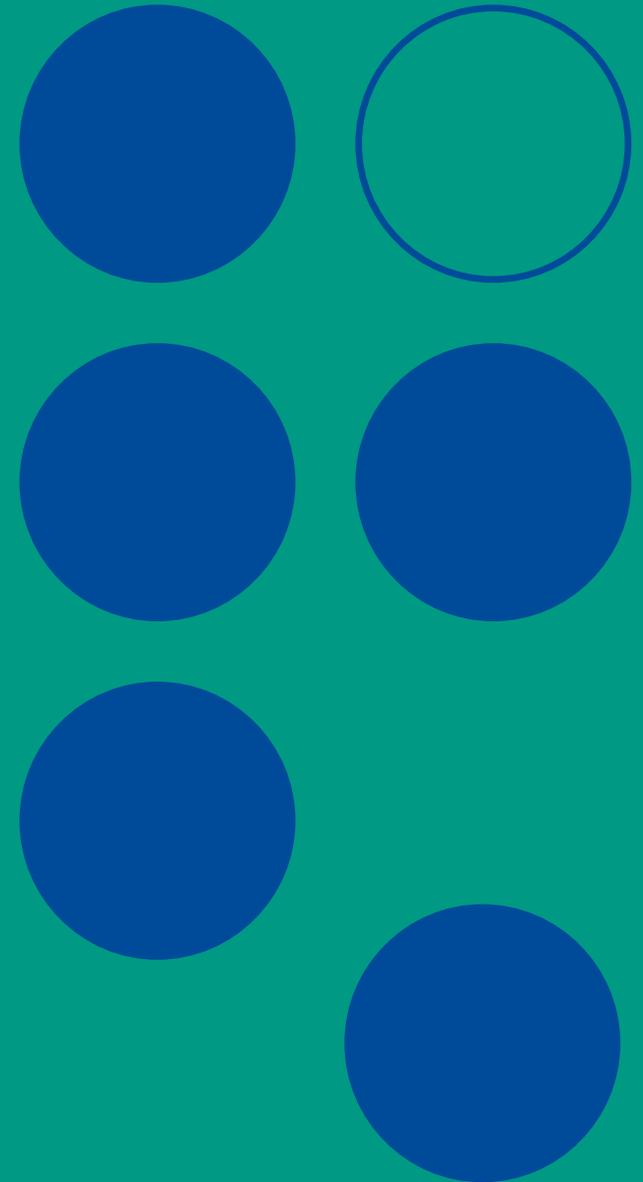
Privacy and GDPR

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 in compliance with 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.



³ European Federation of Pharmaceutical Industries and Associations - [The EFPIA Code](#)

⁴ [Medicines for Europe](#)



Planet

Our environmental and CSR policies are guiding us toward improving the environmental impact of our business. We have only just started our journey, and we are excited to share more insights on our current performance in the data section of this report. Where relevant, the data is also commented in more detail.

The commitment to set up and implement a group HSE function is also a part of our sustainability transformation plan. This is a needed next step in giving guidance and develop our site specific HSE effort further.

Dealing with climate change

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.

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.

The energy consumption in 2022 ended at 31.459 MWh with a share of renewable energy at 21%. 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. We have start 2023 set Future-Fit targets on minimum share of renewable energy at 30% in 2025 and a minimum of 50% in 2030.

2022 was the first full year for Orifarm to include the acquired Takeda production facilities in Hobro, Denmark, and Łyszkowice, Poland. When comparing full year emissions for scope 1 and 2 combined (location-based), we see a 6% increase in our emissions. The increase 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.

In 2022, we have reported our scope 2 emissions both location-based and market-based. The market-based emissions increased significantly, as we are gradually ending our purchase of unbundled Renewable Energy Certificates (RECs). We are ending the purchase of RECs, as we do not see the needed additionality for meeting Future-Fit requirements toward eliminating our climate emission impact.

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.

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. The work of mapping climate risks will continue in 2023. The transactional risks on policy, technology, market, and reputation are also to be integrated into our work on setting 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.



Pollution in the supply chain and at our factories

In 2022, we started to integrate pollution and environmental concerns linked to the pharmaceutical products into our supply chain risk assessment. This way, we assess both environmental product properties and the supply chain where it is produced. The update 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.

For our own operations, we reported two breaches of regulatory limit values during 2022. This is linked to our production facility in Łyszkowice, Poland. Two out of 15 measured control points for wastewater were outside the norm in the first half-year of 2022. The Municipality of Łyszkowice has been informed and the issues solved in agreement with them. All 15 measured control points for second half-year of 2022 were within the norm. Besides the investment in systems to improve the wastewater quality no further financial exposures are expected.

Water consumption

The water consumption at our sites for 2022 ended at 51.3 thousand m³ 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 not recovered

The total amount of waste not recovered increased from 2021 to 2022. This is to some extent linked to the former Takeda facilities in Hobro, Denmark, and Łyszkowice, Poland, not being reported for a full year in the 2021 figures. We have set 2022 as baseline for improvements. The launch of a group HSE function is given priority and seen to drive improvements in this area in the coming years.



People

In Orifarm, we are committed to managing our business in a sustainable way, showing respect for people both in our company, in our supply chain, and in the communities we are a part of.

Our CSR policy summarizes our views, standards, fundamental attitude, and contribution to social responsibility and sustainability. 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 behavior. 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.

Since 2018, Orifarm has been a signatory to UN Global Compact and its ten principles, and through our CSR policy and our Supplier Code of Conduct, we aim for implementing the principles within our business and supply chains.

In the following we elaborate on two aspects of our CSR policy:

Respecting human rights and improving labor rights.

People in Orifarm

Working in Orifarm means joining both a personal and a company-wide growth journey toward our purpose of making healthy days happen.

We know that our growth comes from the growth of our employees, and with more than 2,300 employees, we must attract, develop, and retain our talent in our entrepreneurial culture. We celebrate can-do attitudes and value different skill sets joining forces to make our journey happen.

“Our culture is rooted in the strong values and the entrepreneurial vision, on which the founding couple, Birgitte and Hans-Bøgh Sørensen, built Orifarm. We always strive for development and improvement - both of our company and our people. It is having employees with different backgrounds and competencies that makes us such a strong company,” says Birgitte Ladefoged, Chief People Officer.

In 2022, we developed an anti-discrimination policy to secure the foundation of our future work on diversity and inclusion. As anti-discrimination is fundamental, we have set a 100% Future-Fit target for 2025. Please see more in our Future-Fit target setting report “Understanding the bigger picture”.

Improving the share of underrepresented gender in our Board of Directors, Executive Management Group, and in our management in general is of high importance in Orifarm.

Today, 17% of the members of Board of Directors for the Group are female and 83% are male. Our 2025 target is having a minimum at 40% representation of women in our Board of Directors for the Group.

In 2022, we experienced improvements on gender equality in our Executive Management Group. Today, 25% of the members are female and 75% are male.

Our 2025 target is having a minimum representation of 45% women in our Executive Management Group. The action plan toward meeting the target is integrated in the Executive Management Group succession planning and an important topic of the sustainability focus for diversity and inclusion.

We care for our employees. As examples, we have made sure that 100% of our employees are eligible for social protection and that 100% of our employees are entitled to family-related leaves. We continue to monitor progress toward improvements also when it comes to collective bargaining, pay equality, and living wage.

Safety of employees is important and handled at a site level. No consolidated data on injury frequency is available for this 2022 report. However, as part of our sustainability transformation plan, the setup and implementation of a group HSE function is of high priority. This is a needed next step to give guidance and develop our site specific HSE effort further.

Approximately 60 leaders participated in our more than nine days long externally hosted leadership training during 2022 to build core competencies around leadership. This effort is important and is combined with many other training options for employees, such as Orifarm Lean Academy and IT training. In Orifarm, we invest in our people to grow their talents and value training of employees and leaders.



People in the supply chain

Since 2018, we have worked on implementing a strong Supplier Code of Conduct linked to the ten principles of the UN Global Conduct. Our Supplier Code of Conduct is linked to and aligned with the industry expectation through our membership of Pharmaceutical Supply Chain Initiative (PSCI)⁵.

In 2022, we initiated the creation of a better understanding of our risk of potential violation of human rights and labor rights in our supply chain. Despite a good first step in securing our supplier Code of Conduct being signed by our suppliers, we still acknowledge that more work is needed to improve understanding of our risks and possibilities to mitigating these.

21 detailed and supplier specific hotspot assessments were conducted during 2022. You will find more details in the due diligence section of this report on page 22.

“The dedication and engagement of our employees truly makes us unique. In every corner of our company, I see strong female role models inspiring and engaging future female leaders. Of this, I am very proud,” says Birgitte Ladefoged, Chief People Officer.



Prosperity

In 2022, we provided 84.4 million packs of pharmaceuticals to our customers that were used by patients to provide healthier days. In 2020 we provided 29 million packs. This gives an increase of nearly 300% in just two years.

We hired 370 new employees in 2022 to become part of the Orifarm community and 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 2022 the investments were €7.5m higher than the depreciations for the year indicating a strong willingness to continue the growth of Orifarm.

Orifarm have not received any financial assistance from any governments in the reporting year as also defined according to the accounting principles on page 29. On the other hand, we have contributed to society by paying €4.4m in Corporate Income Tax in 2022. Money that are part of financing the well-being of the citizens of the countries in which we do business. A country breakdown of Corporate Income Tax paid can be seen the data section on page 32.



Accounting principles

The below description of accounting policies refers to the governance, planet, people, and prosperity indicators presented on page 32 to page 35.

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.

GOVERNANCE

Number of packs sold

With inspiration from SASB HC-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 violating 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 sums up all safety alerts where 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 sums up all recalls issued where 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. All major sales countries are included leaving out third countries and the amount is measured in metric tons based on the recorded number of packs received at our warehousing facilities times an average estimated weight (117g) of the received products.

Number of actions linked to counterfeit products

According to SASB HC-BP-260a.3., 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 are 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 activity level reported from 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 given on VP and Directors, Department and Team Managers, professionals, and first line employees.

Whistleblower cases

According 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 are 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 investigations. Further information on incidents are available in the report.

Number of corruption incidents confirmed this year, related to this or previous years

According to 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 knowledge in our Legal department and senior management. Further information on incidents is available in the report.

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

According to 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. Losses are described in the report in more detail.

ENVIRONMENT

Total energy consumption and percentage of renewable energy

According to the draft European Sustainability Reporting Standards (ESRS) E1-5, we report the total non-renewable and renewable energy consumption broken down by fuel/energy type for the reporting period in Megawatt hours (MWh). The consumption is based on invoices from production, main facilities, and estimated values where offices are rented. The percentage of renewable energy is in alignment with Future-Fit calculated based on Orifarm's own renewable energy production and the renewable share of electricity or heat where used. For electricity, the share of renewables has been estimated based on electricity mix data found on www.ourworldindata.org. Regarding heat the information from the suppliers have been used.

Total GHG emissions

According to the draft European Sustainability Reporting Standards (ESRS) E1-7 and E1-8, we report the total GHG emissions in metric tons of CO2 equivalent to the report period for Scope 1 GHG emissions and Scope 2 GHG emissions calculated according to the draft European Sustainability Reporting Standards (ESRS).

Breaches of regulatory limit values

With inspiration from the draft European Sustainability Reporting Standards (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

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.

Total waste

According to the draft European Sustainability Reporting Standards (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 own facilities and based on invoices received and accepted in the reporting period.

Improvement of waste not recovered

According to the Future-Fit break-even goal 07, we report the improvement in waste not recovered linked to the development in the reported waste not recovered 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

Total number of employees

According to the draft European Sustainability Reporting Standards (ESRS) S1-6, we report the total number of employees at the end of the reporting period by using the headcount methodology of calculation and as end of the reporting period.

Share of underrepresented gender

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. Orifarm Board is defined on the basis of board of directors 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. Underrepresented gender in executive management is calculated on the basis of Executive VP headcount at the end of the year. Reported data for all level of management is calculated on the basis of manager headcount at the end of the reporting year. Information has been sourced from Orifarm's payroll systems.

Employees entitled to family-related leaves

According to the draft European Sustainability Reporting Standards (ESRS) S1-15, we report the percentage of employees that are entitled to family-related leaves at the end of the reporting period.

Employees eligible for social security

According to the draft European Sustainability Reporting Standards (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 other jobs, retirements, etc. compared to the average number of employees at the payroll during the year.

PROSPERITY

Total employee hires

According to the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and 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 is calculate 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 numbers for the period and as reported in the annual report for Orifarm Group.

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 numbers 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 numbers for the period and as reported in the annual report for Orifarm Group.



ESG - data overview

		Note	Year			Target		Framework reference				Limited assurance
			2020	2021	2022	2025	2030	WEF-IBC	SASB	Future-Fit	ESRS	
Governance												
Number of packs sold	Million		29.0	70.0	84.4							
Received settlements on introducing new generic medicines	Million EUR		N/A	N/A	1.3							
Number of safety alerts on products in EU	Number		0	0	0							
Number of recalls issued in EU	Number		29	17	18							
Total amount of product accepted for take-back, reuse or disposal	Tons		N/A	N/A	22							
Number of actions linked to falsified and counterfeit products	Number		N/A	N/A	0							
Total number of production facilities	Number		4	6	6							
Number of detailed and supplier specific hotspot assessments	Number		0	0	21							
Percent of governance body members receiving anti-corruption training	%	1	N/A	N/A	25	100%						
Percent of employees receiving anti-corruption training	%	1	N/A	N/A	19	>95%						
Whistleblower cases	Number		N/A	1	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							
Environment												
Total energy consumption	MWh	2	N/A	N/A	31,459							
Percent of renewable energy	%	2	N/A	N/A	21%	>30%	>50%					
Total GHG emissions, Scope 1	tons		605	2,318	3,440							
Total GHG emissions, Scope 2, location-based	tons		N/A	6,549	8,264							
Total GHG emissions, Scope 2, market-based	tons		395	940	7,206							
Breaches of regulatory limit values	Number		N/A	N/A	2							
Water consumption, non water-stressed areas	1000 m3		N/A	N/A	51.3							
Total waste generated	Tons	3	1,054	1,581	1,933							
Improvement of waste avoidance	%	3	N/A	0	0							
People												
Total number of employees (headcount)	Number	4	N/A	N/A	2,316							
Share of underrepresented gender in Board of Directors	%	4	0	17	17	>= 40%						
Share of underrepresented gender in Executive Management	%	4	14	14	25	>= 45%						
Share of underrepresented gender in management, all levels	%	4	41	42	42	>= 45%						
Employees entitled to family-related leaves	%		N/A	N/A	100							
Employees eligible for social protection	%		N/A	N/A	100							
Total employee turnover	%		13	12	10							
Prosperity												
Total employee hires	Number	5	N/A	N/A	370							
Financial assistance received from the government	EUR		N/A	N/A	0							
CAPEX minus depreciation for the year	Million EUR		N/A	N/A	7.5							
Total tax paid	000' EUR	6	N/A	N/A	4,395							

Notes

Note 1: Anti-corruption training

	2022	
	Percent	Number
Governance body members receiving anti-corruption training, Europe		
Executives	25	2
Number and percent of employees receiving anti-corruption training, Europe		
VP and Directors	51	30
Department & team managers	56	89
Professionals	27	311
First line employees	0	0
Total	19	430
Total employees	19	432

The percentage of governance body members with documented passed anti-bribery training in 2022 was 25% and of the total employee base 19% completed the training in 2022. We aim to give this more attention as part of building a stronger governance model essential for future growth.

Note 2: Total energy consumption, MWh

	2022
Non-renewable energy	
Fuel from natural gas	9,938
Fuel from other non-renewable sources	2,974
Purchased electricity and heat, non-renewable	11,924
Total non-renewable energy	24,837
Renewable energy	
Purchased electricity, heat etc. renewable	6,478
Self-generated renewable energy	145
Total renewable energy	6,623
Total energy use	31,459
Percentage of renewable energy	21%
Percentage of renewable electricity and heat	36%

The energy consumption in 2022 ended at 31,459 MWh with a share of renewable energy at 21%. 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. We have set 2023 set Future-Fit targets on minimum share of renewable energy at 30% in 2025 and a minimum of 50% in 2030.

Note 3: Waste

		2020	2021	2022
Solid waste generated, total	tons	1054	1581	1933
of which hazardous	tons	92	243	391
Solid waste reused or recycled	tons	791	996	1106
Waste not recovered	tons	264	585	827
Waste improvement on waste not recovered	Percent			0%

The total amount of waste not recovered increased from 2021 to 2022. This is to some extent linked to the former Takeda facilities in Hobro, Denmark, and Łyszkowice, Poland, not being reported for a full year in the 2021 figures. We have set 2022 as baseline for improvements. The launch of a group HSE function is given priority and seen to drive improvements in this area in the coming years.



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	19	32%	40	68%	59	100%	0	0%	36	61%	23	39%	59	100%
Department & team managers	74	46%	86	54%	160	100%	2	1%	115	72%	43	27%	160	100%
Professionals	792	68%	370	32%	1,162	100%	185	16%	750	65%	227	20%	1,162	100%
First line employees	587	63%	340	37%	927	100%	134	14%	475	51%	318	34%	927	100%
Total number of employees	1,474	64%	842	36%	2,316	100%	321	14%	1,382	60%	613	26%	2,316	100%

We see a great and diverse workforce both on gender and age. The seen tendency towards a lower level of female as top management representatives is given priority in our diversity and inclusion focus and targets towards 2025 where minimum 45% of management and top management is set to be female.

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	10	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 employee hires	240	65%	130	35%	370	100%	98	26%	209	56%	63	17%	370	100%

When we hire new employees the numbers to a large extent reflect the overall diversity with a small overweight on male and 30-50 years. The gender diversity keeps being a focus.



Note 6: Company Income Tax paid, 000'EUR

	2022	Payment is related to:		
		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	916	166	145	606
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	4,395	-377	-71	4,843

The figures consist of the total Corporate Income Tax paid during Financial Year 2022. In 2022, we paid €4.4m in Company Income Tax. The payment is linked to pre-paid tax for 2022 as well as paid tax payables and refunded tax receivables regarding 2020 and 2021.



Independent Auditor's Assurance report

Deloitte.

Independent Auditor's Assurance Report on the ESG statement

To Management and broader stakeholders of Orifarm Group A/S

Orifarm Group A/S engaged us to provide limited assurance on the elements highlighted with a green indication in the Environmental, Social and Governance (ESG) performance metrics in the data overview ("the ESG data overview") for the period 1 January - 31 December 2022, presented on page 32 in the ESG Report ("the Report") of Orifarm Group A/S and marked as being subject to our assurance procedures.

Our review has solely covered the selected numbers of ESG performance data for the year 2022 as highlighted with a green indicator in the ESG data overview on page 32 ("the selected numbers in the ESG data overview"). As illustrated in the ESG data overview we have not reviewed the other ESG performance data and the accompanying notes nor have we performed any assurance procedures on economic or financial data or on forward-looking statements such as targets and expectations. Consequently, we have not drawn any conclusion on these elements of the ESG data overview.

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 overview, ensuring they are free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for establishing objective accounting policies for the

preparation of ESG data, for the overall content of the ESG data overview, and for measuring and reporting ESG data in accordance with the ESG accounting policies stated on pages 29-31 of the Report.

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 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 metrics in scope for review 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 Management and broader 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 selected numbers in the ESG data overview.

To do so, we have:

- conducted interviews with data owners to understand the key processes and control activities for measuring, recording and reporting the ESG data;
- performed limited substantive testing 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 selected numbers in the ESG data overview;
- assessed that the process for reporting greenhouse gas emissions data follows the principles of relevance, completeness, consistency, transparency and accuracy outlined in The Greenhouse Gas Protocol Corporate Standard Revised edition (2015); 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 ESG data on page 30 in the data overview of Environmental, Social and Governance (ESG) performance for the period 1 January - 31 December 2022, marked as being subject to our assurance procedures have been prepared, in all material respects, in accordance with the ESG accounting policies.

Copenhagen, 6 March 2023

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Nikolaj Thomsen
State-Authorised Public Accountant
Mne33276

Marie Voldby
Lead Reviewer



Sustainable Development Goals

(SDGs)

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):

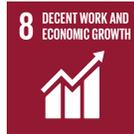
12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

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 qualifying as severe	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



Glossary

Break-Even Goal

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

Climate transition risk

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

Discrimination

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

GHG (Greenhouse gases) (Climate impact)

The atmospheric gases responsible for causing global warming and climate change. The major GHGs are carbon dioxide (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 future-proof 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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