

A woman wearing a white hairnet and black-rimmed glasses is smiling and looking towards the right. She is wearing a dark grey zip-up hoodie. In the background, there is a laboratory or industrial setting with metal frames and bright lights. The overall tone is professional and positive.

OUR ESG COMMITMENT

ESG REPORT 2024



ORIFARM

Content

Our framework

- 4. Introduction
- 5. CEO Statement
- 6. Key figures
- 7. Orifarm at a glance

Our business and strategy

- 9. Business model and value creation
- 11. Business strategy
- 12. Sustainability strategy

Environment and climate

- 14. Targets and commitments
- 16. Emissions and energy use
- 18. Pollution, water and waste

People and society

- 21. People, development and culture
- 23. Investing in people and leaders
- 24. Health & safety
- 25. Diversity and inclusion
- 28. Human rights

Integrity and governance

- 30. ESG Governance structure
- 31. Focus on patients
- 33. Business ethics
- 35. Sustainability risks

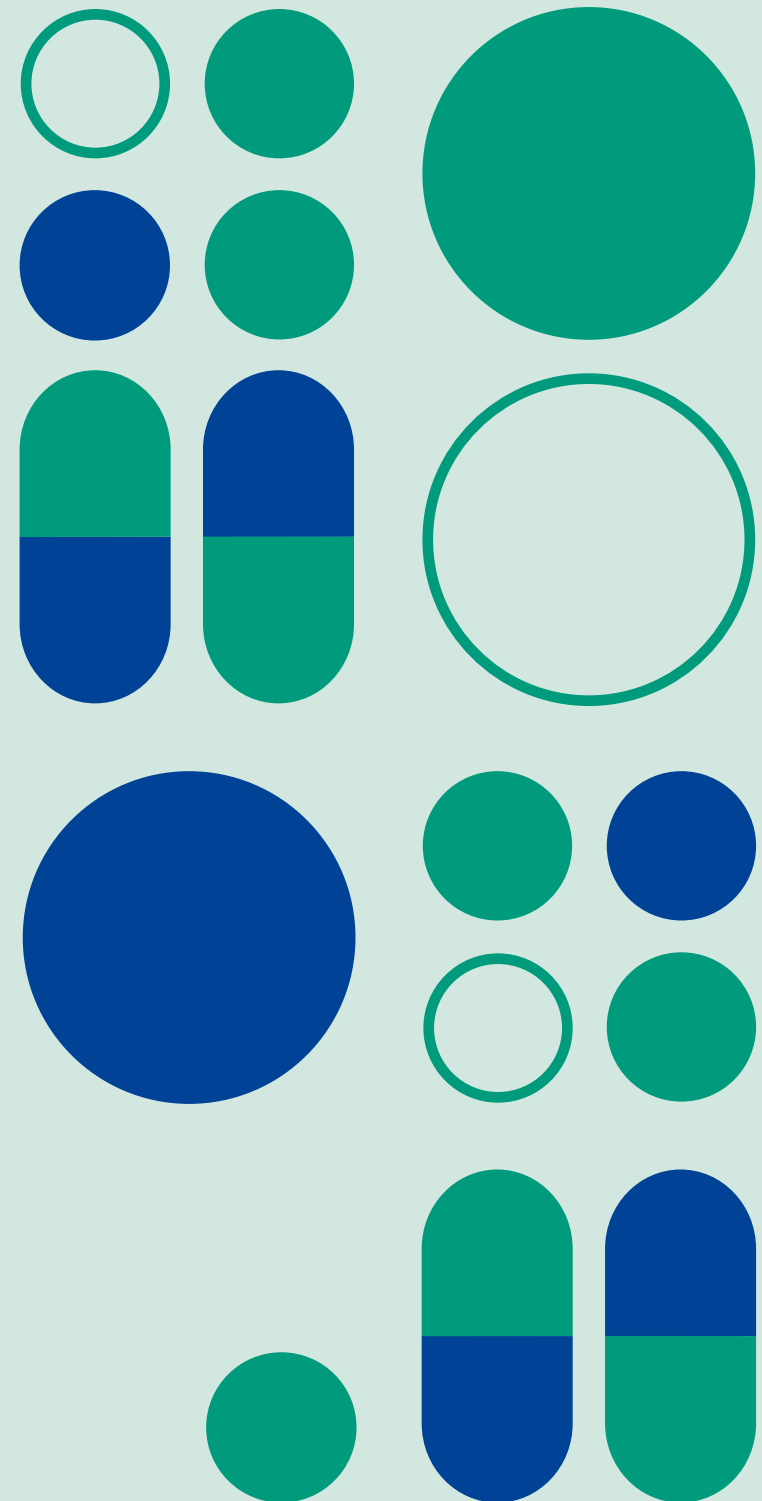
ESG Statement

- 37. Accounting principles
- 41. ESG Data-overview
- 42. Statement of the Board
- 43. Assurance Report
- 45. Glossary



Our framework

- 4 Introduction
- 5 CEO Statement
- 6 Key figures
- 7 Orifarm at a glance



Introduction

Preparing for CSRD

Orifarm will report according to EU's Corporate Sustainability Reporting Directive (CSRD) from 2025. This year, we have strengthened our ESG framework to prepare for the regulatory changes that are also affecting our sustainability strategy.

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

At Orifarm, we believe it is imperative to take actions that contribute to a more sustainable future, and we have a determined sustainability strategy, clear targets and guiding policies. We engage stakeholders in our value chain through our due diligence processes and we are implementing measures to meet our targets.

The foundation for our ESG report

In this report, we cover our ESG progress and impacts in 2024 and we describe our plans for future measures. We use a systematic approach to calculate and report data.

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

We also support the commitment and ten principles of the UN Global Compact.

Finally, SASB Sustainability Accounting Standard for Biotechnology & Pharmaceuticals has given inspiration and methods for reporting on specific industry measures.

Assessment strengthens our priorities

For the annual report 2025, the European Sustainability Reporting Standards (ESRS) needs to be fully implemented in our reporting. With this year's ESG report we take a further step toward following these standards to be able to conduct a full implementation of CSRD in the coming year.

As part of our preparation, we are currently in the process of adjusting a Double Materiality Assessment (DMA). The results of this assessment will guide us in adapting our sustainability strategy and target-setting in deciding actions in the coming years, and in structuring and prioritizing content for our sustainability statement in the annual report 2025.

The reporting period of this ESG report covers 01 January to 31 December 2024. A selection of the reported data has been reviewed by Deloitte. Please see page 43 for information about the auditor's limited assurance statement.

All reports, also from earlier years, can be found at www.orifarm.com/publications/



CEO STATEMENT

Being sustainable is at the core of our business

Since our foundation in 1994, sustainability has been an integral part of our business model and strategy. We engage with many different stakeholders to assure that all parts of our value chain take responsibility for people and society.

At Orifarm, sustainability is not just an operational activity but a strategic imperative. Our mission to create access to high-quality affordable healthcare is fundamentally linked to our commitment to sustainable practices that benefit patients, customers, and society. Our vision is to ensure the highest possible quality of life for as many individuals as possible by integrating sustainability into every facet of our strategic planning.

Strategizing sustainability involves the comprehensive use of the ESG framework to identify and address impacts, risks, and opportunities. This encompasses our climate and environmental responsibilities, our commitment to our employees and the societies we affect, and our global business operations. Sustainability at Orifarm is synonymous with responsibility.

This report outlines our strategic approach to addressing the most material issues. It details our business and sustainability strategy, prioritized initiatives, and the policies and commitments that guide our employees and partners throughout the value chain.

Strong commitments

In recent years, we have strategically committed to several initiatives that underscore our dedication to sustainable transformation. Our alliance with the Science Based Targets initiative ensures that

our emissions reduction targets are ambitious and aligned with the Paris Agreement. Additionally, our ongoing commitment to the UN Global Compact principles reinforces our dedication to responsible business conduct in human rights, labor, environment, and anti-corruption.

We continue to strategically assess human rights risks and impacts across our value chain, including our operations and business relationships. This assessment is integral to our broader strategy to uphold and advance human rights within our sphere of influence.

Navigating future challenges

Facing sustainability challenges head-on requires strategic foresight and determination. I am encouraged by the strong commitment of our Board, Executive Management Group, and our leaders and employees. Moving forward, we will focus on navigating the evolving landscape of ESG laws and regulations. We will make strategic decisions and develop innovative solutions that leverage sustainable operations and products as key business opportunities.

Our commitment to transparency and stakeholder engagement remains steadfast. Together, we aim to create responsible business practices and develop products and services that meet the needs of patients, customers, and society at large.

We invite you to review this report and share your feedback with us as we continue on this strategic journey towards sustainability.



Sincerely,

A handwritten signature in black ink that reads "Erik Sandberg". The signature is written in a cursive, flowing style.

Erik Sandberg



Key figures

ENVIRONMENT

TOTAL TONS
GHG EMISSION
SCOPE 1&2

12,744
TONS 2024

15,690
TONS 2023
MARKET-BASED

18.8%
REDUCTION IN 2024

RENEWABLE ENERGY

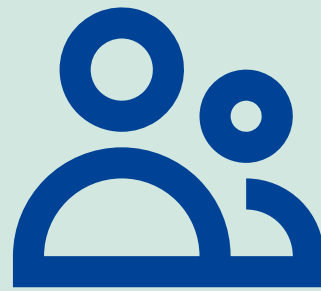
2% **4% IN**
2023

OF ALL USE OF ENERGY
IN ORIFARM GROUP

EMPLOYEES

NUMBER OF
EMPLOYEES

2,372



2,241 in 2023

EMPLOYEE TURNOVER



11%

12,5% IN 2023

EMPLOYEE
HIRES

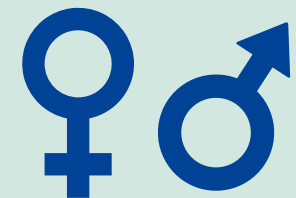
380



333 in 2023

GENDER DIVERSITY

BOARD OF
DIRECTORS



17% 83%

SENIOR
MANAGEMENT

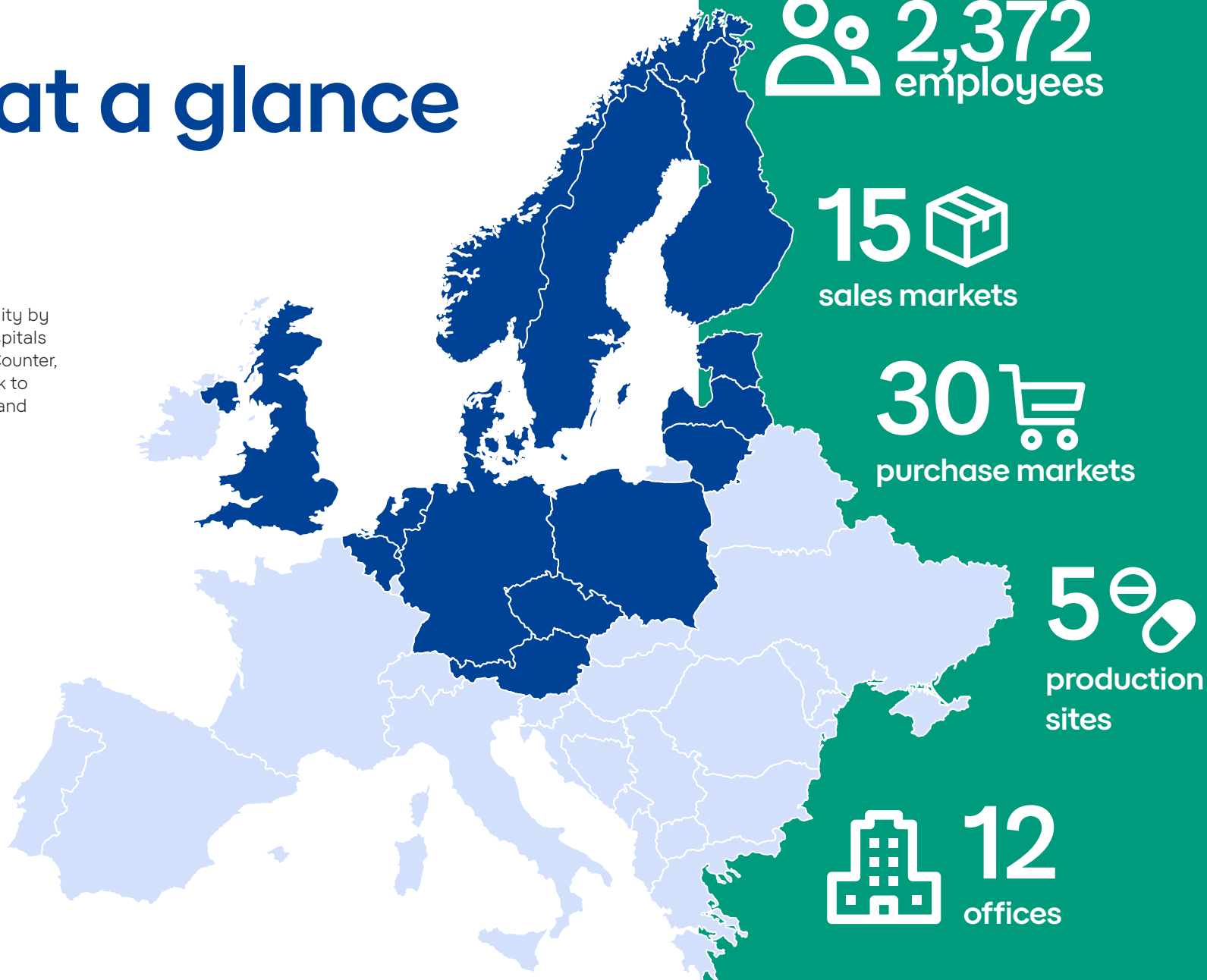


26% 74%



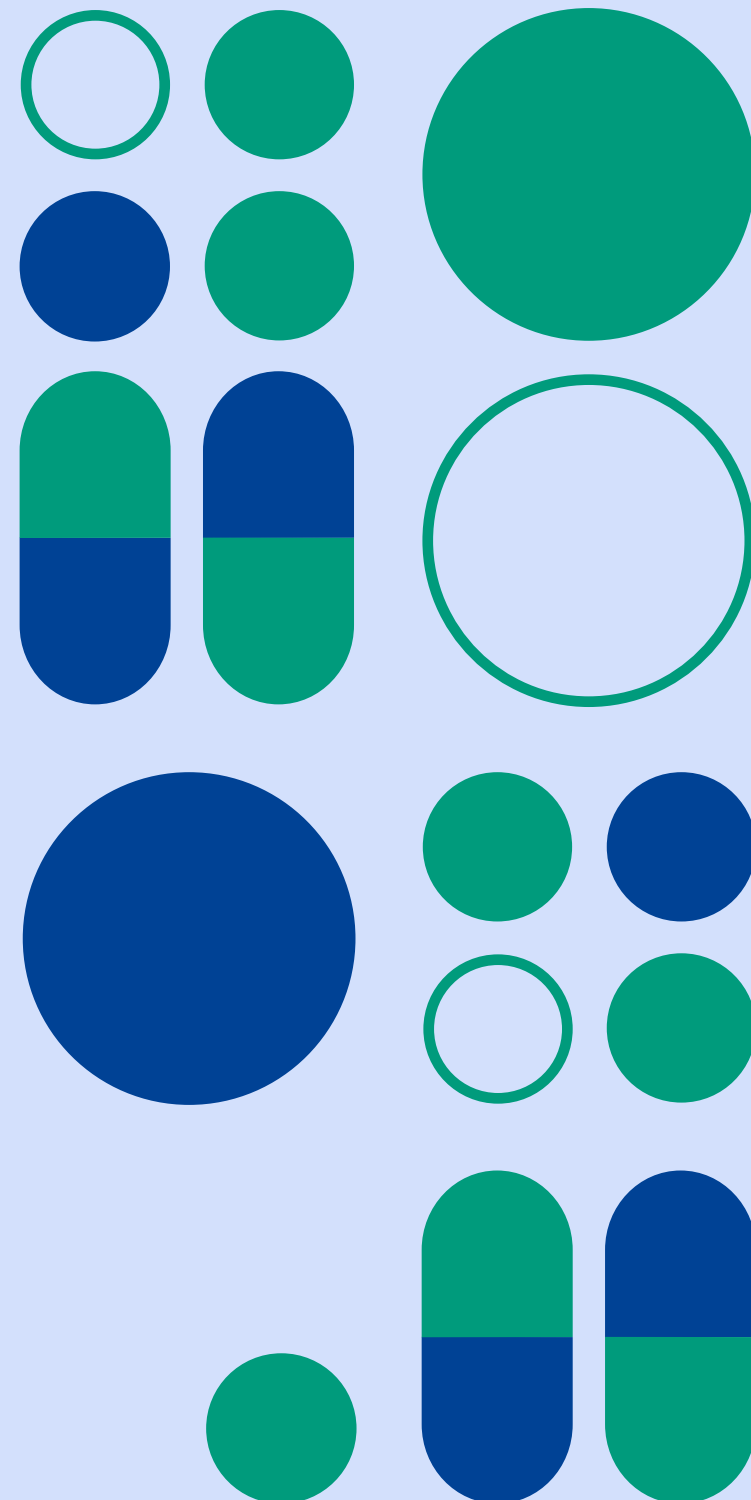
Orifarm at a glance

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



Our business and strategy

- 9 Business model and value creation
- 11 Business strategy
- 12 Sustainability strategy



Business model and value creation

Purpose drives our value creation

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

At Orifarm, we share a common purpose that we strive toward every day: For as many as possible, as healthy a day as possible.

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

Our purpose is the heart of our business. It is strongly rooted in our foundation, defines our culture and who we are as a company – from our founding entrepreneurial spirit to our rapid growth into a company with global impact.

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

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

Our business model

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

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

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

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



Business model and value creation

OUR RESOURCES



Strong purpose and clear strategy

Solid capital base and persistent investments

Proven operating model and large capacity

Strong culture and competencies

High trust and reputation among customers and patients

OUR BUSINESS AREAS



PHARMA TRADE

SPECIALTY RX

CONSUMER HEALTHCARE

OUR IMPACT



PATIENTS

- 83.4 million packs sold.



PEOPLE

- 2,372 employees in Orifarm offices worldwide
- 380 new hires in 2024



CUSTOMERS

+1000 own and CMO produced pharmaceuticals.
+4500 marketing authorizations available for retailers.



SOCIETY

1,815,979 tEUR Revenue / 267,521 tEUR Gross profit /
118,909 tEUR EBITDA / 1.12 tEUR Return on equity / 14.3
mEUR Company income tax



Business strategy

Towards new heights 2.0

Our business strategy “Towards new heights 2.0” was developed in the spring of 2024. It defines our overall winning aspiration: We want to be No 1 in making healthcare a better deal by making affordable healthcare available for customers and society.

Where to play

We are targeting a clearly defined market including specific geographies, specific customer groups and channels, and the type of business we operate.

Our targets are:

- To do business in three scalable and synergetic growth platforms; Pharma Trade, Specialty Rx and Consumer Healthcare.
- To grow within current European markets and expand further into new markets through organic growth and acquisitions.
- To support a multi-market model centred around pharmacies that fits local channel dynamics and targets three core customer types (pharmacies, wholesalers and hospitals).

How to win

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

We will leverage our scale and combined offering, exploit our culture of tradesmanship (købmandskab), benefit from strong relationships with customers and our large sourcing supplier base, and optimise cost drivers to stay competitive.

The foundation is based on a strong focus on ESG, compliance and cyber security to live up to our stakeholders' expectations.

Must-have capabilities

The strategy defines capabilities in three areas that we need to cultivate to be successful:

- **Best-in-class sourcing**
We need to have exceptional capabilities in navigating in the European sourcing market to achieve the best prices and available products, close and long-lasting relationships with suppliers, and the capability to manage the complex sourcing landscape based on deep subject matter expertise and by intelligent use of data and digitalization.
- **Business Development and M&A engine to strengthen and expand position**
We need to pursue new profitable business opportunities that close the gaps in the market and strengthen our portfolio, and we need to maintain a scalable and well-proven model to sustainable growth by being able to identify, acquire, launch, and promote new products and markets faster than competitors.
- **Process-driven to manage complexity and improve efficiency**
We need standardised workflows and procedures to streamline operations, reducing errors and optimising resource utilisation for sustainable efficiency gains, and we need to continuously explore business optimisation and digitalisation through, among other, AI to strengthen our efficiency and business results.



Sustainability strategy

Linking sustainability and business

In 2024, a lot of our sustainability initiatives have focused on compliance and on fulfilling defined targets. But first, the core of our sustainability strategy is to secure access to affordable healthcare.

In 2022, we updated our sustainability strategy called “Prepare for the sustainable business transformation”. It is directly linked to our business strategy and aims at defining our focus and measures to address sustainability impacts and opportunities.

The strategy supports the needed sustainable transformation of Orifarm and is a useful tool on the way to fulfil the Paris Agreement (2015).

Based on our business strategy

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

In this way, our sustainability strategy and business strategy are well integrated. With a direct link to our business strategy, we need an ESG ready and compliant supply chain. We realize this calls for major improvements in the coming years. Therefore, sustainable due diligence is still a key sustainability strategy focus to Orifarm.

Getting ready for CSRD

Orifarm will report in accordance with EU’s CSRD for the financial year 2025. In 2024, we have been preparing our reporting framework to meet this new compliance setup. This includes conducting a Double Materiality Assessment (DMA), engaging stakeholders and analysing gaps in our data collection and reporting.

However, our preparation for CSRD is not just a compliance task. It also helps us set clear target, define priorities in our sustainability transformation and in optimising our ESG reporting and communication with stakeholders.

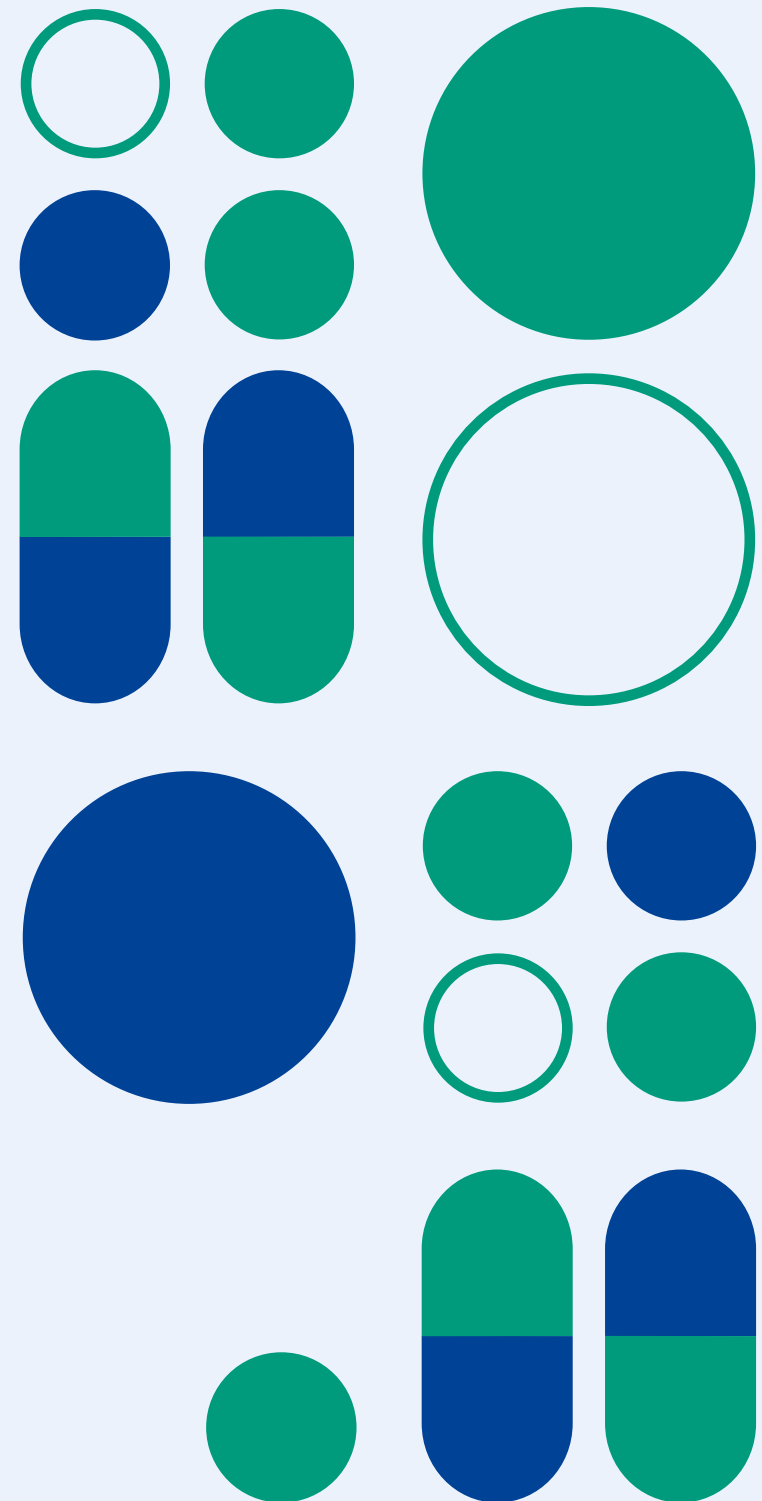


Environment and climate

14 Targets and commitments

16 Emissions and energy use

18 Pollution, water and waste



Targets and commitments

Committed to ambitious CO2 reductions

Orifarm is continuously taking measures to reduce emissions, be more energy-efficient and use more renewables. Many challenges lie ahead.

In 2023, Orifarm signed the commitment letter for setting science-based targets. With that signature, we indicated the importance of ambitious renewable energy and climate emission-reduction targets in our organisation and supply chain.

By now, we have set near term targets for our CO2 emissions (scope 1+2). For scope 1+2 our target is a reduction of 54.6% in 2033.

Improving our methodology

So far, our measurements of CO2 emissions have been focusing on scope 1 and 2. We need however to include scope 3 in our reporting to present a transparent and full picture of our impact on climate and environment.

Therefore, we have been working on developing a methodology for Orifarm's GHG emissions that applies to all operations, facilities, and activities within the Orifarm Group. This methodology outlines the processes and guidelines for calculating and reporting greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3 categories.

The methodology will be included in our policies and Standard Operating Procedures (SOP) and will be implemented across companies in the Orifarm Group. With the new methodology fully implemented, we will evaluate our targets and progress in meeting our current ambitions. This will be part of the sustainability statement in our CSRD compliant annual report 2025.



Environmental value chain

Upstream:

This includes all the producers and suppliers to our operations and products. It is a challenge to influence or control this. But together with our partners, we will look for ways to reduce negative impacts from our supply chain. Collaborative action within and outside the pharmaceutical industry is key in this work.

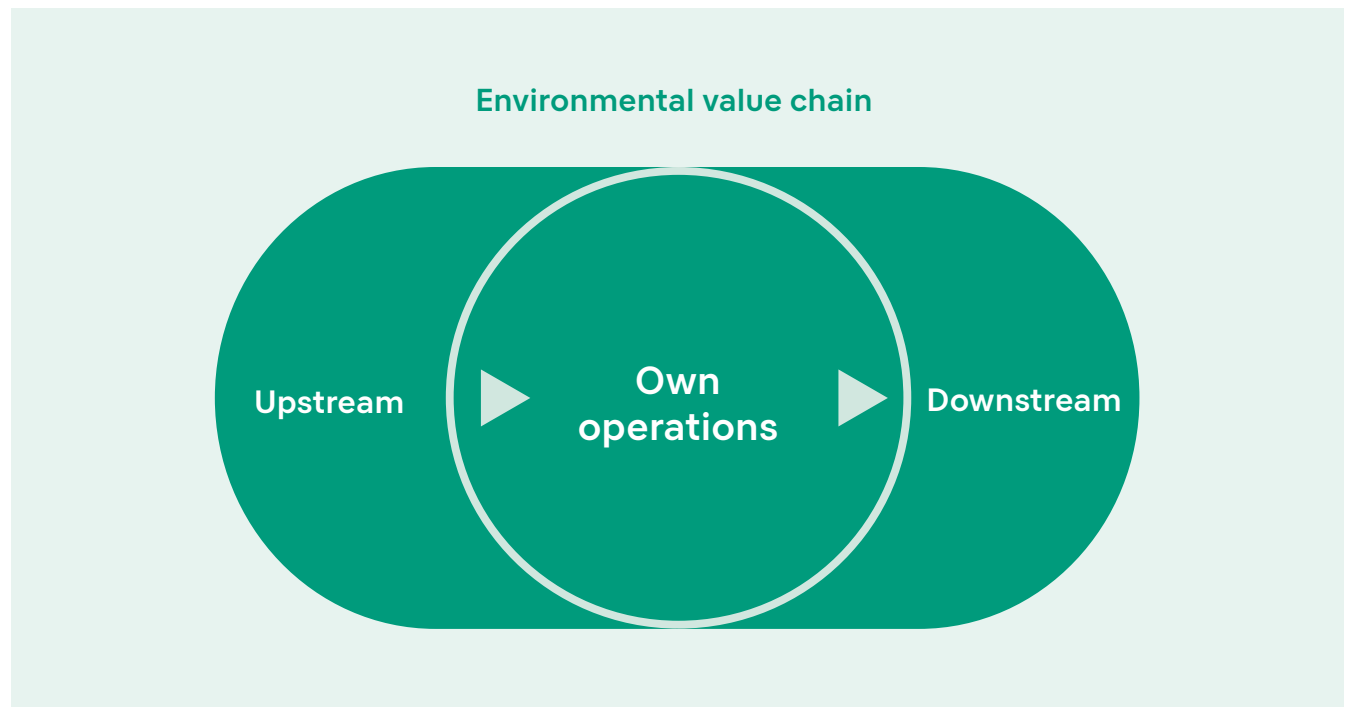
Own operations:

This includes what Orifarm can do and directly control. Reduction in absolute emissions needs to be exponential toward 2050. Halving the emissions each decade is a tall order and will come with significant investments and new ways of operating. This is a challenge that we need and are ready to take on.

Downstream:

This includes how Orifarm can guide consumers to support 1) responsible use and proper disposal of pharmaceuticals to address API run off at end-of-life and 2) packaging reuse or recycling.

As the pharmaceuticals themselves cannot be repurposed, we are working on solutions that make it possible to recycle parts of the packaging, and that it does not contain PVC. For great parts of our business, the originator of a pharmaceutical through e.g. regulatory requirements defines our possibilities to change and improve the environmental performance. We see a potential for Orifarm to play an active role in moving the pharmaceutical industry in a more sustainable direction.



Emissions and energy use

Reducing our carbon footprint

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

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

Energy use from renewable sources

The energy consumption in 2024 ended at 27,746 MWh (35,242 MWh in 2023) with a share of renewable energy at 2% (4% in 2023). 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.

Scope 1 and 2 emissions

The total GHG emissions, Scope 1, ended at 3,178 tons in 2024 (4,420 tons in 2023). This significant reduction is primarily attributed to the transition from fossil fuel-powered vehicles to electric cars.

Orifarm has reduced scope 1+2 market-based GHG emissions by 18.8% from 2023 to 2024.

For our scope 2 emissions we are reporting on market-based emissions. The market-based emissions were reduced to 9,566 CO2e tons in 2024 (11,270 CO2e tons in 2023).

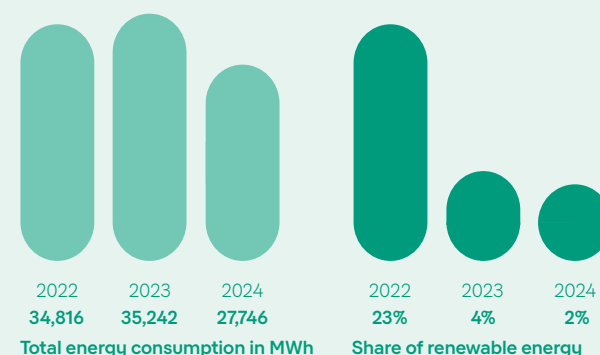
This emission reduction is first of all related to our production facility in Poland, which is a significant contributor to our CO2 emissions. Here, Orifarm is placing a strong emphasis on prioritizing and implementing initiatives to reduce emissions at the factory:

Freecooling Project: Orifarm enhanced the Freecooling system, which uses winter air to cool the facilities without energy-intensive compressors. By repurposing existing drycoolers, this modernization will save electricity annually by efficiently operating at temperatures below +5°C.

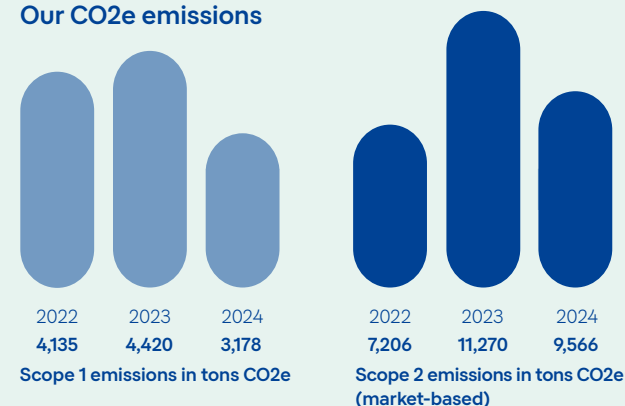
Heat Recovery from Air Compressors: Partnering with Atlas Copco, Orifarm innovatively repurposed the heat generated by the air compressors to power technological equipment. This initiative will save thermal energy annually.

Heat pump installation: A new installation to support a heat pump from Gazuno, connected to the chilled water return pipeline. This is expected to save more thermal electrical energy annually, and the project will reduce Orifarm's carbon footprint and enhance Orifarm's sustainable practices.

Our use of energy



Our CO2e emissions



Efficient and greener transport

Sustainable initiatives in Orifarm's logistics operations reduce our CO2 emissions and maintain efficiency.

"At Orifarm, we prioritize green transport solutions and continually work to reduce CO2 emissions through various initiatives. This pays off for us financially and save hours of transportation, but it also reduces CO2 and the number of vehicles on the road," says Søren Slott Sørensen Department Manager, Global Transportation.

To minimize the environmental impact, we use double-deck trailers, modular road trains, and green fuels.

For example, double-deck trailers can carry 66 pallets in two layers, reducing the number of trucks on the road and helping address driver shortages. Modular road trains, which are 25 meters long, can reduce CO2 emissions by up to 42% per pallet. These trains also use solar panels to power refrigeration units, although their use is limited in some countries.

All our transport partners use EURO6 engines, which reduce pollution and fuel consumption. Since September 2024, we have also switched to HVO diesel for container transport between Fredericia and Odense, reducing CO2 emissions by up to 90%.

"To make the most of our trucks' capacity, we collaborate closely with both our purchasing and sales departments.

This ensures that as many orders as possible are shipped with each transport. This reduces the number of trips and prevents half-empty trucks on the roads," Søren Slott Sørensen says.



Pollution, water and waste

Focus on our ecosystem

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

Pollution

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

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.

In 2024, we have not experienced any significant pollution issues – like breaches or accidents – in our factories.

Water consumption

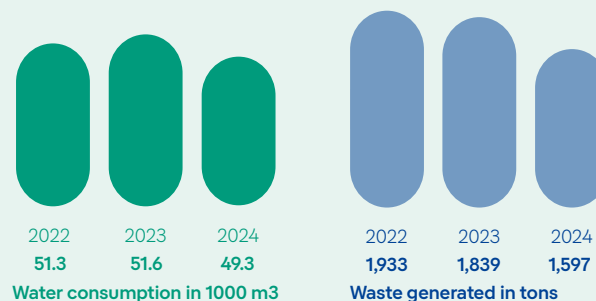
The water consumption at our sites for 2024 ended at 49.3 thousand m³ (51.6 thousand m³ in 2023). This is mainly linked to our production site in Poland. We have no sites placed in water-stressed areas and therefore the total consumption is reported from non-water-stressed areas.

Waste

The total amount of waste was reduced from 1,839 tons in 2023 to 1,597 tons in 2024. Also, we were able to recycle 11% more waste in 2024 compared to the previous year.

Waste management has been a systematic part of our operations at our site in Odense for many years. We've implemented initiatives to reduce waste and boost recycling across all operations. In 2024, we have achieved a notable 99.68% recyclability for colored plastic and cardboard and 98.01% for clear plastic – see case on page 19.

Our environmental results



Handling waste at Orifarm in Odense

Sustainable initiatives are an essential part of our waste management at Orifarm, guiding our efforts to cut waste and boost recycling.

Our waste management efforts aim to reduce waste and increase recycling. This commitment to being environmentally friendly is a core part of our company culture.

One of our key steps is shredding plastic and cardboard to prepare these materials for recycling. We've been doing this successfully in Odense since 2019, making our waste handling more efficient. In 2024, **99.68%** of our cardboard and colored plastic, and **98.01%** of our clear plastic, are recycled.

This high recycling rate for clear plastic helps reduce the environmental impact of our packaging. We also recycle plastic bags used in our operations, showing our commitment to reducing single-use plastics.

Our value chain is essential to our common efforts. We partner with companies that recycle and handle waste responsibly after it leaves our facilities.

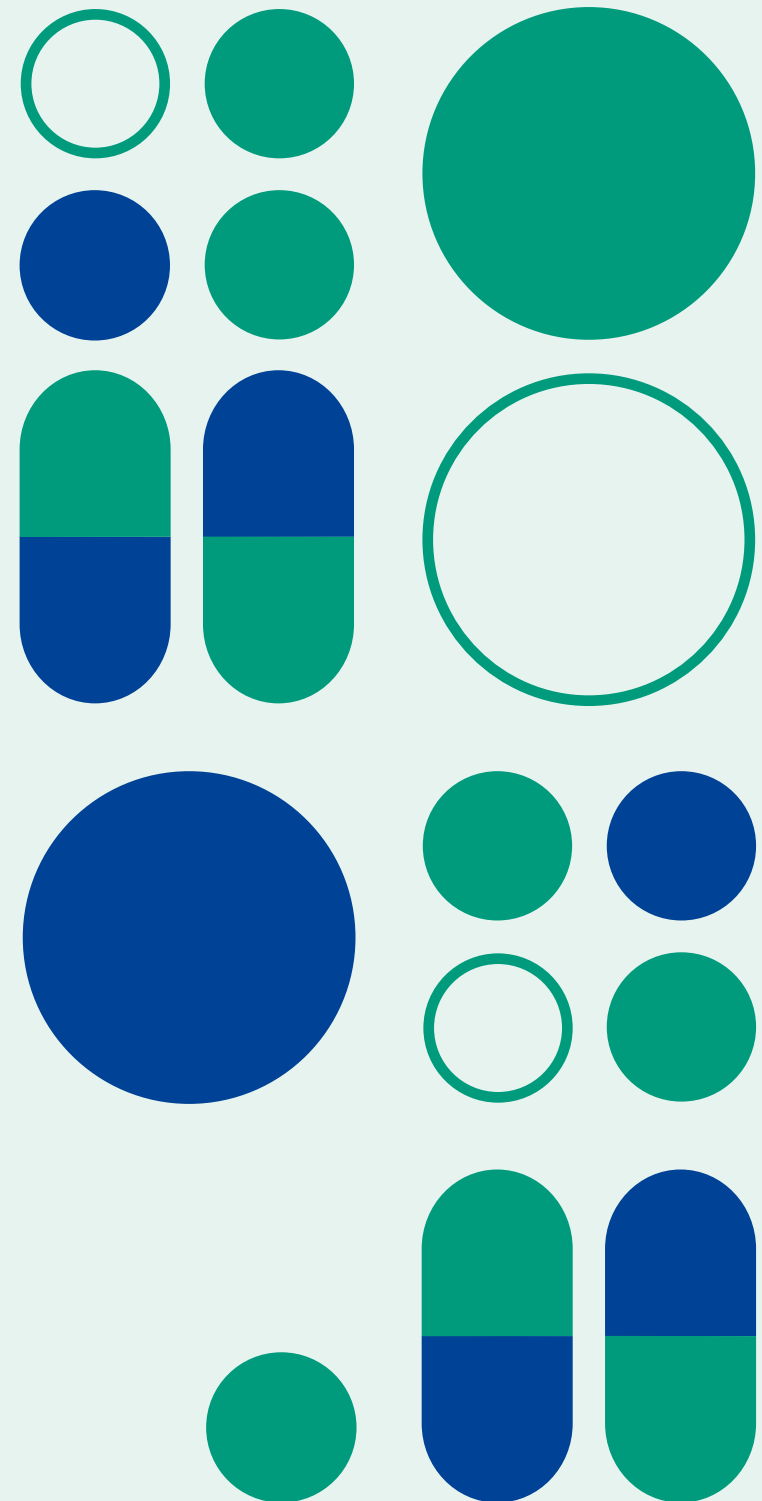
For example, we handle food waste by sorting, chopping, and processing it into liquid organic waste. This waste is collected by a specialized partner and taken to biogas plants. There, it is turned into biogas, which reduces waste and preserves nutrients that are returned to fields as fertilizer. By managing food waste effectively, we contribute to a circular economy, ensuring valuable resources are reused sustainably.

“Our employees play a big role in our waste management success. They are always looking for better ways to sort and manage waste, asking questions and taking responsibility. This proactive attitude ensures that almost nothing goes to waste,” says Per Sørensen, Director of Warehouse and Facility, Odense, Denmark.



People and society

- 21 People, development and culture
- 23 Investing in people and leaders
- 24 Health & safety
- 25 Diversity and inclusion
- 28 Human rights



People, development and culture

New initiatives to strengthen people and culture

Orifarm has a strong focus on developing people and culture. In 2024, we have upgraded our efforts in recruiting, onboarding and retaining people.

In 2024, Orifarm grew to 2,372 headcounts at year-end (from 2,241 in 2023). We had 380 new hires in 2024. In 2024, our employee turnover was 11% compared to 12.5% in 2023. This has put pressure on our onboarding, social and cultural integration, and on our focus on talent and career development.

Onboarding and retention

That is why, in 2024, we initiated an employer branding initiative to strengthen our Employer Value Proposition (EVP). As part of this effort, 120 managers and employees at all levels, locations, and functions were interviewed to understand the motivation and engagement that make them thrive at work.

In 2025, we will implement our new EVP and improve our efforts to onboard and retain people. Our onboarding efforts play a significant role in our capability to recruit competent and talented employees, and our efforts to develop an attractive place to work will ensure a high level of retention.

New recruitment policy

In 2024, Orifarm developed a new recruitment policy focusing on creating a consistent and safe candidate experience. In relation to the policy, we have established several initiatives such as headhunter agreements that deliver a diverse candidate pool, internal job rotation, flexible employment, collaboration with public institutions and assisting employees with impairments.

The policy describes the 9 steps of our recruitment process. To ensure a consistent, fair, and transparent experience for all candidates, standardized procedures have been implemented throughout each stage of the recruitment process, with a strong focus on diversity and inclusion.

Also, the policy focuses on senior employees' continuous development and motivation, and ensures that necessary terminations are handled with respect and professionalism.

The recruitment policy covers the Orifarm business in its entirety and applies to all employees involved in the hiring process, including managers, our department People & Culture, and external headhunters.

Digitization of people management

In 2024, Orifarm continued to benefit from the IT platform OrifarmPeople, which was implemented in 2023. The platform aims to digitize and structure data and business processes, as well as improve the management of resources and competencies.

The platform includes a range of modules that have been rolled out across all countries with Orifarm representation. It includes modules for recruitment, performance management, compensation, analytics, and time management to mention a few elements. The platform has enabled us to run a more data-driven people agenda.



One Orifarm – transforming our organization

At Orifarm we have embarked on an ambitious initiative called “One Orifarm”. This comprehensive transformation aims to streamline operations, enhance customer experience, and foster a more agile and data-driven organizational culture. The “One Orifarm” initiative is a strategic transformation that aligns with Orifarm’s commitment to ESG principles. By focusing on customer simplicity, organizational efficiency, data-driven decision making, and agility, we are building a sustainable and resilient future.

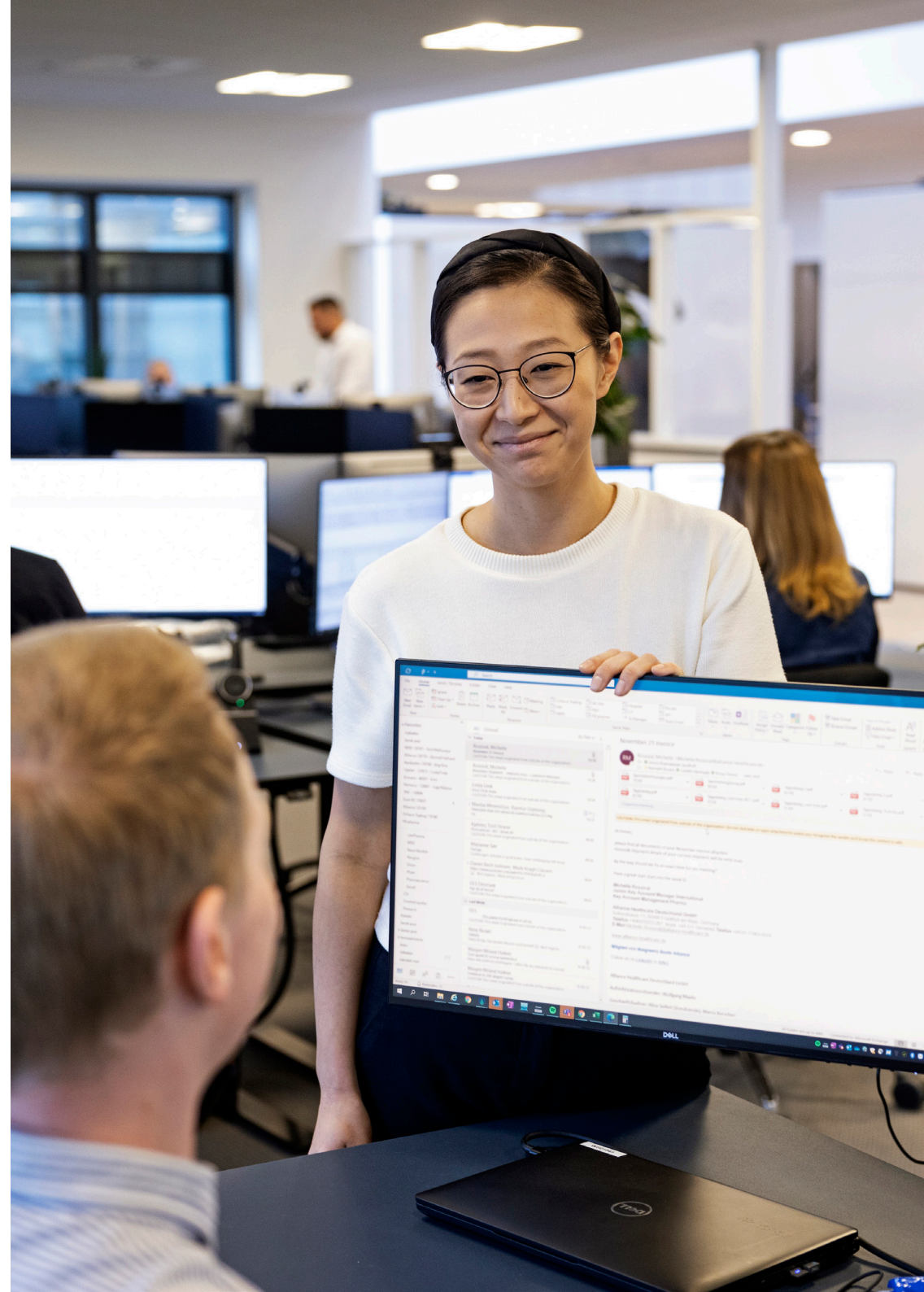
A cornerstone of the “One Orifarm” initiative is the emphasis on customer simplicity. By consolidating multiple points of entry into a single, unified interface, we have significantly improved the ease and efficiency of customer interactions.

To create a more responsive and dynamic organization, we have reduced the number of management layers. This restructuring facilitates faster information flow and decision-making, enabling the company to adapt swiftly to market changes and customer needs. By allowing leaders to focus more on leadership rather than

day-to-day tasks and management, we aim to eliminate the inefficiencies associated with the “player-coach” role.

“One Orifarm” places a strong emphasis on leveraging data to inform decisions, particularly in supply chain management. By utilizing data analytics to optimize forecasting and ordering processes, we minimize stock and waste, contributing to more sustainable resource use.

Andreas Friis, Chief People Officer:
“By restructuring internally and giving leadership full attention, we have successfully increased our focus on productivity and efficiency. This reorganization also enables us to prioritize sustainable projects more effectively, as we have become a fully functional organization with much greater focus and dedication, and fewer layers of management.”



Investing in people and leaders

Investing in people and leaders

Orifarm is investing in conditions and opportunities for our leaders and employees. In 2024, we conducted an employee engagement survey and initiated two pilots in our Leadership Pipeline programme.

Employee engagement

Orifarm is investing in our employees' conditions and well-being. To get a better understanding of possible improvements, we conduct employee engagement surveys to support our priorities. The latest employee engagement survey was carried out in the Autumn of 2024. 1,910 employees participated, corresponding to 83% of our working force.

The overall result of the survey is positive, but it also points to some areas with potential for improvements.

On a 1-100 index score, scores from 75 and up are defined as high scores. The overall satisfaction and motivation at Orifarm get a score of 73 compared to the average external benchmark score of 74. The score on loyalty is 82, reputation scores 76, co-operation 81 and job content 81. All scores that are close to the average. In times of massive growth and change, we are quite satisfied with this feedback from our employees.

Also, the survey investigates themes that are especially important to Orifarm. On well-being we score 76 and on culture and values we score 78. These scores are likewise satisfactory, but when we dig deeper into the numbers, we also see that the strategy of being 'One Orifarm' have not gained foothold in all departments and teams. With a curious mindset we will deep dive even further into

this topic as we wish to continue to break down silos and strengthen acting as One Orifarm.

Leadership initiatives

At Orifarm, we believe that effective and competent leadership is essential in fostering motivated people and a great place to work. Therefore, in 2024, we initiated a Leadership Pipeline programme to develop our leaders' capabilities in leading leaders and employees. So far, we have examined two well-working pilots and will train all leaders in this programme during 2025.

The goal of the Leadership Pipeline is multi-fold. We want to develop a global language, mindset, and leadership style across all Orifarm sites and strengthen specific skills that assist leaders in creating an attractive working environment and feedback culture.

More projects ahead

The employee survey tells us that we are on the right track when it comes to culture and loyalty. It also points to potential initiatives regarding workload, tools and processes, and the engagement of senior managers. As such, the survey will support our strategic decisions on people development and management.

Also, we expect that our learnings from training and developing leaders will have a positive effect on our Performance Development Plans, people reviews, and employer branding efforts. This will be a strong focus in 2025.



Health & safety

Improved approach to health and safety

In 2024, we systematized our common approach to health and safety. A new framework for analysing and understanding our readiness was implemented. We now have a clear overview of needed actions and improvements.

At Orifarm, we believe a safe and attractive workplace must be a key element of our culture and how we operate. Accidents at work and occupational diseases always have causes, and we must build a strong prevention culture to eliminate work-related accidents, harm and occupational diseases. Therefore, our claim for health and safety is articulated in close connection to our purpose: For as many of our staff as healthy and safe a workday as possible. Our ambition for health and safety is clear: All negative impacts can – and should be – prevented.

Vision Zero leads the way

To guide our work in establishing a baseline for health and safety, we turned to the Vision Zero guide prepared by the International Social Security Association (ISSA). The guide looks at seven golden rules that need to be measured and eventually improved to strengthen our target-setting, organisation, culture, qualifications and leadership for health and safety.

In the autumn of 2024, Orifarm used the guide and rules to measure the state of health and safety at our five biggest sites in Europe. The process demonstrated both well-working areas as well as areas with room for improvement. These findings were also discussed on site with the management groups at local workshops.

Overall, our management on these sites is committed, we have the qualifications to implement measures, and we have a strong focus on machine safety with clear instructions to our workers. We need, however, to have more precise targets for health and safety, we need a better shared understanding of risks and hazards, and we need to implement a platform to share and communicate learnings and best practices as well as insuring solid reporting.

The recipe for improvements

The conclusions from baselining and workshops will be a part of the input for a new strategy for health and safety covering all sites at Orifarm.

Also, in 2025, we will develop a new platform for gathering, monitoring and reporting data, and we will establish specific targets for accidents, harm, and occupational disease. This will assist us in better understanding the need for improvements on specific sites and in specific situations, and it will improve our communication and sharing of learnings, whilst improving our compliance.



Diversity and inclusion

Diversity and inclusion in many shapes

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

Diversity and Inclusion are key to obtaining equality and for developing a successful business. We believe that people with different backgrounds and experiences bring different ideas and perspectives to the table, which is pivotal for innovation and growth.

Diversity in management

Improving the share of underrepresented genders on our Board of Directors and in our management is highly important to Orifarm. In 2023, we implemented new targets.

In 2024, 1 member of the Board of Directors elected at the Annual General Meeting is female (17%) and 6 members are male (83%). In 2024, we focused on strengthening the competencies and diversity of our Board of Directors, which did not lead to a change in board members. We will maintain our target of 33% of the underrepresented gender on our Board of Directors by 2027. Three additional women are part of the Board as employee-elected representatives.

In 2024, 26% of our Senior Management were female, and 74% were male. It will therefore take a focused effort to meet our 2027 target of having a minimum of 35% women represented at this management level. Across all other management levels, we have reached a share of 49% female and 51% male.

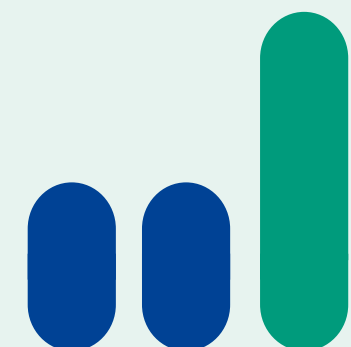
The action plan toward meeting the target is integrated in the Executive Management Group succession planning and is an important topic of the sustainability focus for Diversity and Inclusion. Also, our policy for Gender Diversity of November 2023 is pointing to five measures of implementation: Recruitment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

New policy for diversity and inclusion

In 2024, we developed a policy for Diversity and Inclusion that reflects our commitment to creating a diverse and inclusive workplace that offers equal opportunities to all employees. Through this commitment, we aim to make a positive impact within our organization and in the communities, we engage with.

We aim to create a diverse and inclusive workplace that provides equal opportunities for all employees. By fostering a culture of inclusivity, we strive to attract and support talent from diverse backgrounds. Our policy encompasses gender, age, culture, nationality, ethnicity, physical abilities, political and religious beliefs, sexual orientation, etc. It also ensures our employees' sense of belonging, acceptance, and value regardless of their differences and social identity.

Progress in meeting targets for underrepresented gender in management



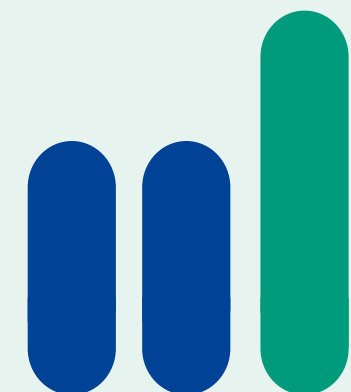
Board of Directors

2023
17%

2024
17%

Target for

2027
33%



Other management level

2023
26%

2024
26%

Target for

2027
35%



Policy leads to action

Our policy follows several specific actions. Here are some examples:

Feedback culture

We actively invest in listening to our workforce by conducting an annual engagement survey that gathers feedback to help us identify strengths and areas for improving our workplace. Additionally, we encourage managers to hold a monthly one-on-one meetings with their team members, facilitating open and honest conversations that enhance transparency.

Inclusive working arrangements

We offer flexible working arrangements, generally allowing for two remote days and three in-office days, to accommodate the diverse needs of our employees. Hybrid options are available for specific roles, allowing employees to work remotely or on-site. We have also implemented global standards for paid parental leave including for non-birthing parents.

Equal pay and compensation

Our commitment to Inclusion extends to ensuring equal opportunities in employment and promotion. We base all hirings, promotions, and compensation decisions on qualifications and performance without consideration of personal characteristics. Additionally, all employees, including student assistants, participate in the company's bonus scheme, reinforcing our commitment to equity and recognition for all contributions.

Inclusive and Unbiased Recruitment Process

We craft inclusive job descriptions and advertisements free of biased language to ensure that qualified candidates feel encouraged to apply. In addition, we invite everyone—regardless of gender, sexual orientation, disability, religion, age, ethnicity, or socioeconomic status—to apply, as we recognize that a diverse and inclusive workforce drives the best outcomes.

Retaining Diverse Talents

To help employees feel supported from day one, we have implemented a buddy system, pairing each new employee with a dedicated colleague. This provides a safe space for new hires to ask questions and settle into their new roles comfortably. Additionally, career development plays a key role in our retention efforts, with opportunities for internal job rotation that allow employees to expand their skills and experience different roles.

We must take many additional steps in our journey towards improving our Diversity and Inclusion. International regulations, standards, and external benchmarks are valuable tools for guiding this journey.

Our societal contribution

In 2024, we provided 83.4 million packs of pharmaceuticals to our customers that were used by patients to provide healthier days. We have contributed to society with an amount of €14.3m in Corporate Income Tax in 2024. Money that are part of financing the well-being of the citizens of the countries in which we do business.

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

In 2024, we provided donations, sponsorship, and performed charity work with global partners. In addition to our global outreach sponsorships and donations, we are also the sponsor of several initiatives locally in Odense, Denmark, where we are headquartered.

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





Diversity and inclusion in supply chain team

At Orifarm, diversity and inclusion are key drivers of our success, particularly evident in our supply chain team.

Comprising one VP and eight managers across Hobro, Odense, and Poland, the supply chain team reflects a rich mix of ages, nationalities, and gender. The focus is on competencies, values, and individuality.

The need for specialized expertise necessitates a flexible, open-minded recruitment process that extends beyond Denmark. This approach has enabled Orifarm to attract diverse professionals from various countries, enhancing the team's breadth of experience and fostering a blend of senior and junior members, which supports a strong succession planning and knowledge transfer.

Frank Hoffmann, Vice President of Product Supply Specialty Rx & Consumer Health-care: *"As a result of this approach, we have attracted individuals with diverse levels of experience. They come from various nationalities with different career backgrounds, leading to a rich diversity in the length, depth, and breadth of professional experience. Consequently, we also naturally*

achieve a mix of ages, which was not our primary intention but happens as a result."

Managing diversity requires a focus on inclusion and belonging. This includes creating an environment that values different opinions and competencies, ensuring everyone feels they belong. Recruiting international talent poses challenges, such as cultural differences and relocation issues, and providing continuous support to ensure successful integration is essential.

"The more diverse the team is in terms of character and background, the greater the potential for success. For me, diversity does not need to be artificially created. It is already present. The trick is how to manage diversity, this is what I call inclusion. Diversity often induces conflict and that needs to be actively managed. Conflicts are welcomed and are considered an opportunity for finding new solutions," Says Frank Hoffmann.

Human rights

Strong focus on human rights

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

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

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

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

Human rights assessment

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

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

In 2024, we worked on a "Supplier Performance Scoring" system, which incorporates ESG criteria as a key component. This scoring system will serve as the foundation for evaluating and collaborating with new suppliers, shaping Orifarm's partnerships and future cooperation strategies. It will be introduced to new suppliers from the beginning of 2025.

Policies covering human rights

We have several policies that cover different aspects of human rights. Examples include our policies for stress management, corporate remote work, personal crisis, staff sickness and absence, and it includes our new policies for recruitment and for diversity and inclusion.

Also, Orifarm has developed an anti-harassment policy to secure that no employees are subject to health deterioration in consequence of offensive behaviour, bullying, or sexual harassment in any of our work locations.

The policy secures that managers and employees have knowledge about offensive behaviour and are aware of this, and that our position on good social conduct and unacceptable conduct are clear. The policy secures that employees are familiar with their options in situations concerning offensive behaviour and guides managers in preventing and handling offensive behaviour.

Anti-discrimination

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

Our anti-discrimination measures have been implemented across the company. We will work on resolving cases in a structured and documented manner that protects our employees' privacy. We will improve directive and preventive measures by publishing our policy and communicate regularly, as well as integrate the policy into each step of the employee lifecycle. For example, by training hiring managers on possible biases in the hiring processes.



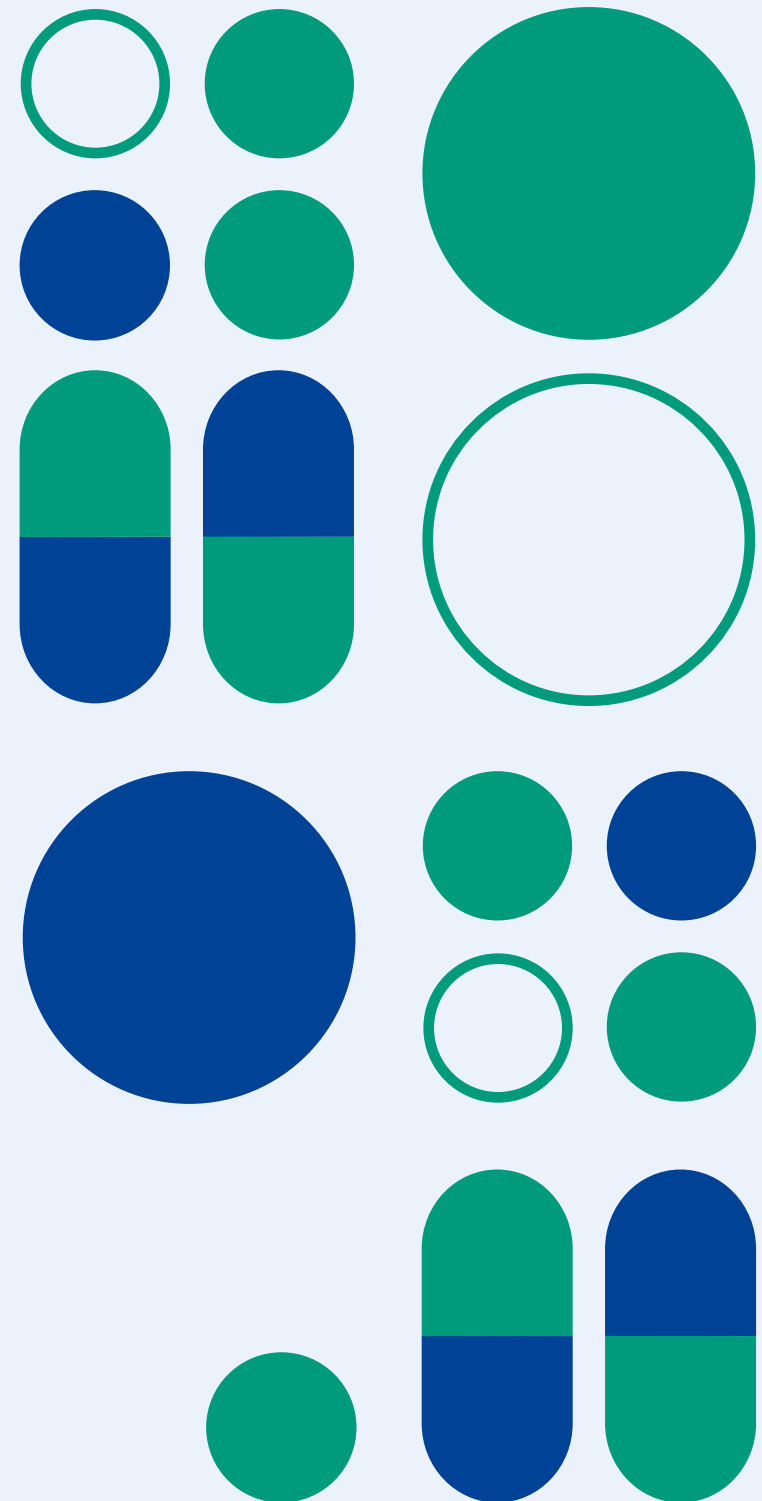
Integrity and governance

30 ESG Governance structure

31 Focus on patients

33 Business ethics

35 Sustainability risks



ESG Governance structure

A clear governance structure

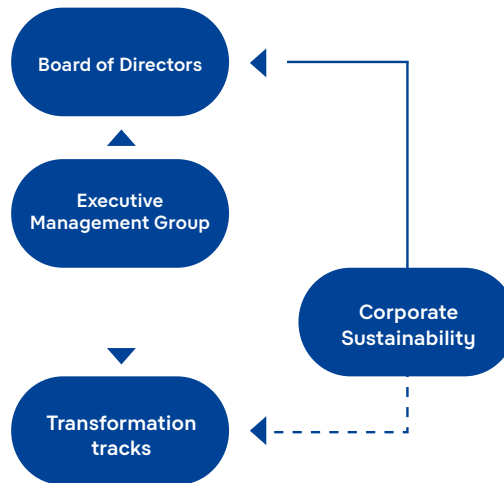
Sustainability is an integrated part of Orifarm's new business strategy "Towards new heights 2.0". A clear governance structure ensures a strong link between targets, policies, measures, and results.

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

Corporate Sustainability focuses on three major tasks:

- Setting and agreeing on the overall sustainability strategy with the Executive Management Group
- Supporting 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

Corporate Sustainability was integrated into our Finance department in 2024 to strengthen accountability and the monitoring and reporting on both financial and non-financial key figures.



Roadmap for sustainability

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

Each of the tracks are reviewed by the Executive Management Group with a commitment to integrate sustainability in the day-to-day development of the business. In this way, the Executive Management Group make sure, that Orifarm employees execute on the roadmap in the best and most balanced way.

Corporate Sustainability holds an important role in engaging in the long-term targets and the mapped stakeholder expectations.

Governing bodies

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

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

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



Focus on patients

Accessible, affordable and safe healthcare

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

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

It is key for Orifarm to challenge the market on accessibility and price through authorized parallel import and production of generics. We challenge originators and patent holders, and through market competition we keep prices at affordable levels and pharmaceuticals accessible for people who need them.

Patients and safety first

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

In 2024, we had no safety alerts linked to our products and the number of recalls were only three in 2024, which is significantly lower than the number of recalls the last two years (15 in 2023, 18 in 2022).

We never compromise on patient safety. With more than 83.4 million packs sold from our broad portfolio of products, we sometimes recall products to protect the safety of our patients.

We allow pharmacies to return medicines not sold within the guidelines on expiring date or in other ways not feasible for sale. Products returned from our customers are to the extent possible repurposed to secure minimal waste. However, returned medicines unfortunately often end in our waste stream. For 2024, we estimate a return volume of 18 tons, which is quite similar to last two years.

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. We want to provide sufficient guidance on correct disposal of packaging and pharmaceuticals. This should be communicated on all products to minimize incorrect runoff of Active Pharmaceutical Ingredients into ecosystems. We wish to maximize the share of packaging that is recycled.



Falsified and counterfeit pharmaceuticals

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

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

In 2024, we had to act twice in relation to falsified and counterfeit pharmaceuticals. We had one cases in 2023 in which this was necessary.

Code of Ethics governing promotional activities

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

Supplier due diligence

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

An updated supply chain risk assessment methodology was implemented in 2023 as part of improving our supplier management setup. The methodology assesses both product and supply chain, and addresses ESG impacts, risks and opportunities. In 2024, we have continued this work, which has also been supported by the Double Materiality Assessment we conducted in this year.

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

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



Business ethics

Ethics is our license to operate

Our business is highly regulated by international laws and standards. But we have also determined policies and principles that define high standards for business ethics at Orifarm and in our value chain.

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

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

Anti-corruption, anti-bribery

As integrated in our Business Code of Ethics 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.

As in 2023, we are pleased to see zero cases of anti-corruption being reported in 2024.

The percentage of employees with documented passed anti-corruption training in 2024 was 82% (50% in 2023).

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

Competition and trade compliance

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

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

Data ethics

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

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

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

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

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



Whistleblower scheme

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

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

All employees and members of Orifarm Group's Board of Directors can report to the whistleblower scheme and become subject to investigations.

In 2024, we have received one reported incidence withing scope of our whistleblower scheme. The incident concerned an unfortunate tone from one unnamed employee regarding a geopolitical issue. The case was handled with the conflicting partners and closed thereafter.

Code of practice

In respect to our Business 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 links to the local variations of the European EFPIA Code of Practice.

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

Tax transparency

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

At Orifarm, we have a transparent tax disclosure practice, which clearly states that we disassociate ourselves from the use of tax havens and other methods of tax evasion.

As a company, we pay corporate income taxes and other indirect taxes in all the countries in which we operate.

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

Privacy and GDPR

We focus on privacy and protection of personal data throughout Orifarm, covering both the data of consumers, employees, business partners, and other stakeholders.

Orifarm has taken solid measures to protect personal data and is following the EU General Data Protection Regulation (GDPR) and national personal data protection legislation. All of our white-collar employees have been educated in the GDPR.



Sustainability risks

ESG risks is part of our risk management

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

Risk management

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

Our ERM process is anchored with our Board of Directors and Executive Management Group, while the quarterly process of identifying, analysing, managing, mitigating, monitoring, and reporting risks is managed by our VP, Group Accounting, Compliance and Treasury

Risk identification is completed in close collaboration with the organization and the functions responsible to feed in risks and mitigate actions. Sustainability linked risk can be present in all of our nine 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 and 9) Business interruption and property.

Four defined ESG risks

The major ESG-linked risks are in the category of Legal and Business Ethics, People, Supply Chain, and Sourcing. The risks are linked to 1) Climate change 2) Pollution, 3) Bribery and fraud, and 4) Violation of human rights. The risks are addressed in our sustainability strategy and are all subject to focused projects that will ensure mitigation.

1. Climate change

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

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

2. Pollution

This is an issue related to the production, packaging and use of our products. Pollution is therefore an integrated part of our supply chain risk assessment. We assess both environmental product properties and the supply chain where it is produced.

Another part of our focus on decreasing pollution is focused on raising awareness in the industry on the environmental impact related to pharmaceuticals. This is essential as much of the pollution is related to resources and processes in the upstream and downstream of our value chain.

3. Bribery and fraud

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

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

4. Violation of human rights

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

Back in 2023, Orifarm conducted an assessment to better understand human rights risks and impacts across our value chain including own operations, and business relationships. This assessment provided a risk profile, including an assessment of its salient human rights risks and management systems in place to address the risks, and actionable recommendations.

Mitigation in the supply chain

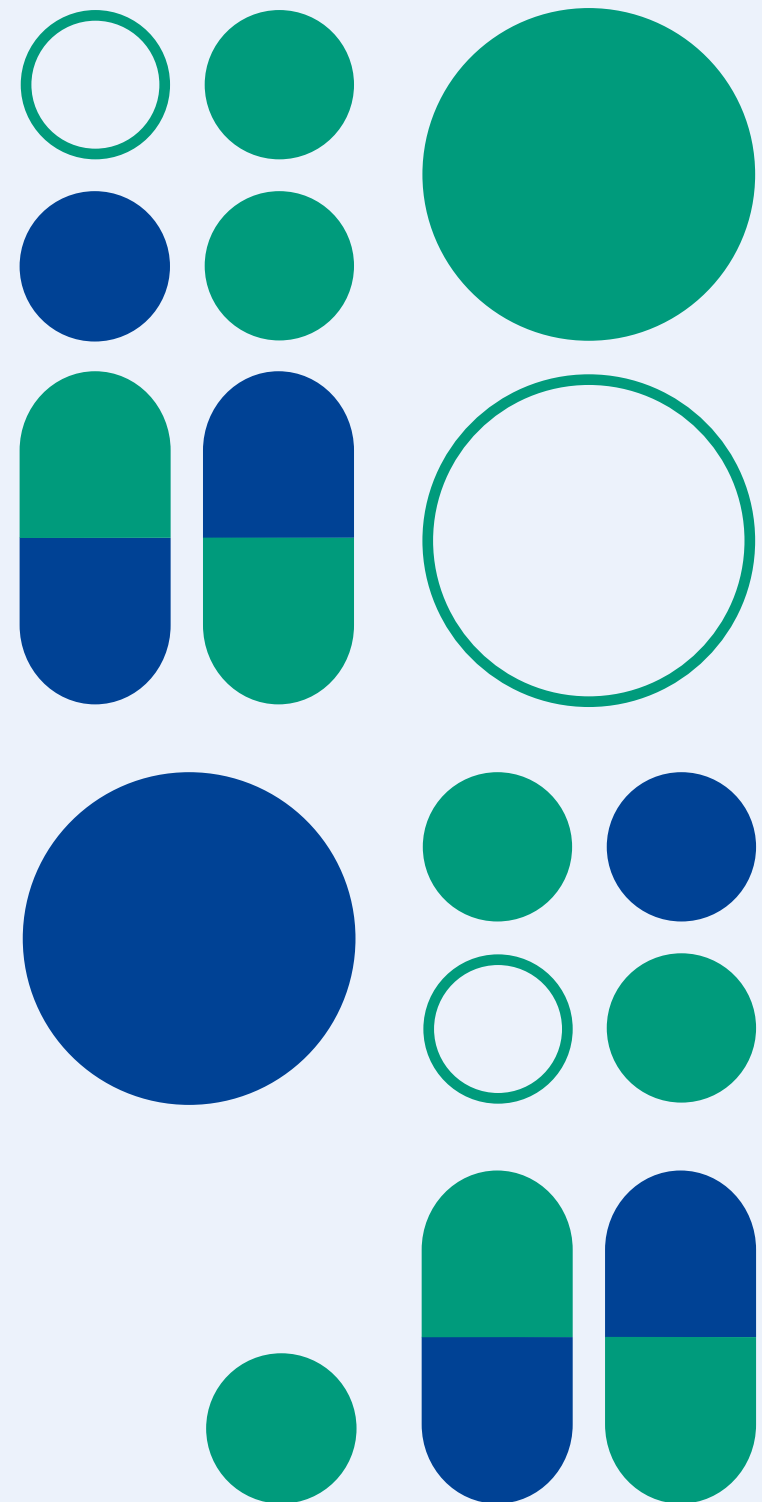
It is evident that all our ESG risks are related to relations and processes in our supply chain. Therefore, the focus of mitigation is on anchoring policies, codes of conduct, assessments, due diligence, and implementation of ESG programmes in local offices and in the dialogue and cooperation we have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

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



ESG Statement

- 37 Accounting principles
- 41 ESG Data-overview
- 42 Statement of the Board
- 43 Assurance Report
- 45 Glossary



ESG accounting principles 2024

The report encompasses all wholly owned companies within the Orifarm Group A/S. Newly established and acquired companies are included from the time they come under Orifarm's control, and companies are excluded from the reporting once they leave Orifarm's control.

Orifarm aligns with the recommendations of the GHG Protocol Corporate Accounting and Reporting Standard (2015) and uses financial control to report on emissions.

Changes to accounting principles of 2023 to 2024

This year's report excludes any information regarding Viminco, as there has been no production or consumption at this site.

Environment (E)

Total energy consumption:

Inspired by the European Sustainability Reporting Standards (ESRS) E1-5, Orifarm reports its total energy consumption based on invoices from its production and main facilities. This includes sites in the Czech Republic, Germany, Denmark (Hobro and Odense), Poland, the UK, and the USA.

The data sources used to calculate energy consumption include electricity, district heating, natural gas, fuel oil, and jet fuel.

Percentage of renewable energy:

Inspired by ESRS E1-5, Orifarm reports renewable energy consumption broken down by fuel/energy type for the reporting period in Megawatt hours (MWh). The percentage of renewable energy is calculated in alignment with the GHG Protocol market-based approach. The calculation of the KPI "Renewable

Energy Percent" using the market-based approach according to the GHG Protocol is presented in the ESG data overview.

Orifarm defines renewable electricity as purchased electricity covered by market-based mechanisms such as Energy Attribute Certificates (EACs) or electricity generated on-site using solar panels. For district heating, a conservative approach is used in line with ESRS guidance, assuming the heating is generated using an energy mix and thus cannot be classified as renewable energy.

To calculate the percentage of renewable energy, data for electricity, district heating, natural gas, fuel oil, and jet fuel from sites in the Czech Republic, Germany, Denmark (Hobro and Odense), Poland, the UK, and the USA has been used.

Total GHG emissions, Scope 1:

Orifarm clearly states that its GHG emissions reporting aligns with the recommendations of the GHG Protocol Corporate Accounting and Reporting Standard (2015).

To calculate Total GHG emissions (Scope 1), Orifarm follows the guidance of ESRS E1-7 and E1-8, ensuring adherence to the GHG Protocol Corporate Accounting and Reporting Standard (2015) while using operational control to report emissions. Data for electricity, district heating, natural gas, fuel oil, and jet fuel from sites in the Czech Republic, Germany, Denmark (Hobro and Odense), Poland, the UK, and the USA is used in this calculation.

Total GHG emissions, Scope 2:

Inspired by ESRS E1-7 and E1-8, Orifarm reports electricity consumption from sites in the Czech Republic, Germany, Denmark

(Hobro and Odense), Poland, the UK, and the USA, as well as district heating from the Danish sites.

For location-based electricity, Orifarm uses the International Energy Agency (IEA) as the source. For market-based electricity, Orifarm relies on RE-DISS for European countries and RFCE for the USA. For all other components, Orifarm uses DEFRA 2024.

Regarding self-generated renewable electricity from solar panels, Orifarm notes that there is no specific standard available for solar panels, so DEFRA 2024 is also used.

Breaches of regulatory limit values

Inspired by ESRS E2-4, Orifarm reports the number of breaches of regulatory limit values during the reporting period at its own production facilities. This number is derived from internal quality

processes at Orifarm's factories. Additional information, including potential financial exposures to incidents, is available in the report.

Water consumption, non-water-stressed areas

Inspired by the draft European Sustainability Reporting Standards (ESRS) E3-4, Orifarm reports its drinking water consumption for the reporting period based on received and accepted invoices. Referring to the World Economic Forum (WEF) white paper on measuring stakeholder capitalism, Orifarm uses the WRI Aqueduct water risk atlas tool to identify areas of water stress, categorizing high and extremely high-risk areas as under water stress.

Using data from the WRI Aqueduct water risk atlas, Orifarm conducted a risk assessment of potential water risks in areas where its manufacturing and other facilities are located.



The assessment determined that none of Orifarm's sites are situated in water-stressed areas.

As a result, Orifarm reports only on water consumption in non-water-stressed areas and does not report on consumption in water-stressed areas. There is no reporting for the USA, as the facilities consist of small, shared offices where water control is managed independently by the office owners.

Total waste generated

Inspired by ESRS E5-5, Orifarm reports the total amount of waste, calculated as the sum of paper, plastic, mixed, and chemical waste. Chemical waste is reported as hazardous waste, while the rest is reported as non-hazardous waste. These figures are based on waste handled at Orifarm's facilities and are derived from invoices received and accepted during the reporting period. Estimations have been made, based on the available data, to address data gaps in some site data collections, as not all sites had complete data for 2024 at the time of reporting.

Improvement of waste not recovered

Orifarm reports the improvement in waste not recovered, comparing it to the baseline year of 2022. Unrecovered waste is calculated as the total waste generated during the reporting period minus the solid waste reused or recycled within the same period. The improvement in waste not recovered is determined by assessing the change in unrecovered waste relative to the baseline year. The baseline year, as well as instances where no progress is observed, is reported as 0%.

Social (S)

Total number of employees

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

Share of underrepresented gender:

Share of underrepresented gender in Board of Directors:

Orifarm reports the share of the underrepresented gender in the Board of Directors for the reporting period. The Board composition is determined by a headcount at the end of the year. Information has been sourced from the Central Business Register (CVR), and employee-elected members have been excluded from this calculation.

1. Share of underrepresented gender in Senior Management:

In accordance with the guidance on targets, policy, and reporting on gender distribution in management, the share of the underrepresented gender in senior management is calculated based on the number of individuals at the first management level. This includes the Management Committee and those organizationally at the same level, collectively referred to as the Executive Management Group.

The first management level also includes individuals at the second management level who have personnel responsibilities and report directly to the first management level.

2. Share of underrepresented gender in management, all levels:

Orifarm calculates the share of the underrepresented gender across all management levels based on a headcount of

managers at the end of the reporting year, with data sourced from Orifarm's payroll systems. A manager is defined as a professional who holds a leadership role within the organization and manages a team of one or more direct reports.

Employees Entitled to Family-Related Leaves

In accordance with ESRS S1-15, Orifarm reports the percentage of employees entitled to family-related leave at the end of the reporting period.

Employees Eligible for Social Security

In accordance with ESRS S1-11, Orifarm reports the percentage of employees eligible for social security, either through Orifarm directly or through government programs. This percentage is calculated at the end of the reporting period.

Total employee turnover

Orifarm reports employee turnover for all employees, excluding first-line employees. Employee turnover is calculated based on the annual number of employees who leave the company for reasons such as finding another job, retirement, etc., compared to the average number of employees on the payroll during the year.

Both voluntary and involuntary turnover are included in this KPI. The average number of employees is based on headcounts from January 1, 2024, to December 31, 2024. First-line employees, categorized internally as blue-collar workers, are excluded from this calculation. Historically, Orifarm has reported this way because including data from blue-collar employees often shows a higher



level of turnover, which may not accurately reflect the overall situation within the organization.

Governance (G)

Number of packs sold

Orifarm reports the number of packages sold to customers during the reporting period. This figure is based on records maintained by our Finance department.

Received settlements on introducing new generic medicines

Orifarm reports the amount in EUR received from patent owners in settlements related to the introduction of new generic pharmaceuticals by non-patent owners. This total amount includes direct payments and indirect compensation, as recorded by our Legal department.

Number of safety alerts for products in EU

Orifarm reports the number of safety alerts that have resulted in fines or sanctions. This total includes all safety alerts for which Orifarm holds market authorization. The data is based on records maintained by our Corporate Quality department.

Number of recalls issued in EU

Orifarm reports the number of recalls issued in connection with the European Medicines Agency and local EU agencies. This total includes all recalls for which Orifarm holds market authorization. The data is based on records maintained by our Corporate Quality department.

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

Orifarm calculates and discloses the number of unused products

returned by customers as part of our take-back, reuse, or disposal program. This indicator is calculated using data on the products, including their weight and quantity. All products from all countries where Orifarm has sales are included.

The total amount is measured in metric tons based on the recorded number of packs received at our warehousing facilities. For calculation purposes, we use an average estimated weight of 117 grams per pack of the received products.

Number of actions linked to counterfeit products

Orifarm reports the number of in-stances where actions were taken to alert regulatory authorities or law enforcement agencies re-garding counterfeit or fake medication. This includes reporting to the European Medicines Agency and local EU agencies. Detailed descriptions of the actions taken are provided in the report.

Total number of production facilities

Orifarm reports the total number of production facilities. A production facility is defined as a location where Orifarm produces, packages, or repackages its products, and which is 100% operated by Orifarm. These premises may be either owned or rented under short-term or long-term contracts.

Number of detailed and supplier specific hotspot assessments

Orifarm reports the total number of detailed and supplier-specific hotspot assessments conducted throughout the year, following the prescribed methodology. This number is calculated based on the activity levels reported by our Strategic Procurement department and our Group Sustainability department.

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

In accordance with the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to GRI 205-2, Orifarm reports the total number and percentage of governance body members and employees who have completed anticorruption training. The governance body is defined as the Executive Management Group. For employees, the data is categorized into Vice Presidents and Directors, Department and Team Managers, professionals, and first-line employees.

Whistleblower cases

Inspired by the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to GRI 3: General Disclosures 2021, 2-26, Orifarm reports the number of concerns raised through its whistleblower reporting mechanism during the reporting period. The number of cases is based on notifications received from the external provider managing the whistleblower system. All employees and members of Orifarm Group's Board of Directors are able to report to the whistleblower scheme and may be subject to investigations.

Number of corruption incidents confirmed this year, related to this or previous years. Taking into account the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to GRI 205-3, Orifarm reports the total number of confirmed incidents of corruption during the reporting period, categorized by the year to which each incident relates. These numbers are based on information from our Legal department and senior management.



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

Orifarm reports the total monetary losses in EUR resulting from legal proceedings associated with bribery and corruption. This includes all legal proceedings in which Orifarm has been involved. The reported losses exclude legal and other fees and expenses incurred by Orifarm in its defense and during the reporting period due to civil or regulatory actions.

CAPEX minus depreciation for the year

In accordance with the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to IAS 7, Orifarm reports its CAPEX minus depreciation for the reporting year. These figures are based on the financial data for the period and are detailed in the annual report for Orifarm Group.

Financial assistance received from the government

In accordance with the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to GRI 201-4, Orifarm reports benefits received exceeding €100,000 from any government during the reporting period. This includes 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. These figures are based on the financial data for the period and are detailed in the annual report for Orifarm Group.

Total tax paid

In accordance with the World Economic Forum (WEF) white paper on measuring stakeholder capitalism and with reference to GRI 201-1, Orifarm reports the total amount of tax paid during the reporting period, broken down by country. These figures are based on the financial data for the period and are detailed in the annual report for Orifarm Group.



ESG - data overview

ESG - data overview

		2022	2023	2024	Targets	Limited assurance
Environment						
Total energy consumption	MWh	34,816	35,242	27,746	54.6% in 2033 (Incl. scope 2)	<div></div>
Percent of renewable energy	%	23	4	2		<div></div>
Total GHG emissions, Scope 1	Tons	4,315	4,420	3,178		<div></div>
Total GHG emissions, Scope 2, market-based	Tons	7,206	11,270	9,566		<div></div>
Total GHG emissions, Scope 2, location-based	Tons	8,264	7,529	7,300		<div></div>
Breaches of regulatory limit values	Number	2	2	0		
Water consumption, non water-stressed areas	1000 m3	51.3	51.6	49.3		
Total waste generated	Tons	1,933	1,839	1,597		
Improvement of waste not recovered	%	0	13	11		
Social						
Total number of employees (headcount)	Number	2196	2241	2372	33% in 2027	
Share of underrepresented gender in Board of Directors	%	17	17	17		
Share of underrepresented gender in Senior Management	%	N/A	26	26		35% in 2027
Share of underrepresented gender in management, all levels	%	42	43	49		
Employees entitled to family-related leaves	%	100	100	100		
Employees eligible for social protection	%	100	100	100		
Total employee turnover	%	10	12.5	11		
Total employee hires	Number	370	333	380		
Governance						
CAPEX minus depreciation for the year	Million EUR	7,503	-6,353	-26,789		
Number of packs sold	Million	84.4	84.4	83.4		
Received settlements on introducing new generic medicines	Million EUR	1.3	0	0		
Number of safety alerts on products in EU	Number	0	0	0		
Number of recalls issued in EU	Number	18	15	3		
Total amount of product accepted for take-back, reuse or disposal	Tons	22	16	18		
Number of actions linked to falsified and counterfeit products	Number	0	1	2		
Total number of production facilities	Number	6	6	5		
Number of detailed and supplier specific hotspot assessments	Number	21	53	70		
Percent of employees receiving anti-corruption training	%	19	50	82	95% in 2025	
Whistleblower cases	Number	0	0	1		
Number of corruption incidents confirmed this year, related to previous years	Number	0	0	0		
Number of corruption incidents confirmed this year, related to this year	Number	0	0	0		
Total losses as result of legal proceedings associated with corruption and bribery	Million EUR	0	0	0		
Financial assistance received from the government	EUR	0	0	0		
Total tax paid	000' EUR	5,055	12,032	14,329		



Statement by the board of directors

The Board of Directors has today considered and approved the ESG Report ("the Report") of Orifarm Group A/S for the financial year 1 January – 31 December 2024.

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

Further, the ESG – data overview as presented on page 41 have been prepared in accordance with the accounting principles stated on pages 37-40.

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

13 March 2025

Hans Carl Bøgh-Sørensen

Ole Michael Friis

Heidi Wase Skovhus

Jeffrey Martin Rope

Anders Hagh

Nicola Falcinelli

Bettina Britt Juel Hansen

Claudio Albrecht

Gitte Alhed Poulsen

Jeanette Jæger Wallentin

Adeel Ahmad



Assurance Report



Independent Auditor's Limited Assurance Report on the selected ESG - data

To the stakeholders of Orifarm Group A/S

Orifarm Group A/S has engaged us to provide limited assurance on selected ESG data for the financial year 1 January - 31 December 2024. The selected ESG - data is marked in column "Limited assurance" as presented in ESG - data overview on page 41 in the ESG report 2024.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information, and accordingly, we do not express an opinion on this information.

Management's responsibility

Management is responsible for designing, implementing, and maintaining internal controls over information relevant to the preparation of the ESG data, ensuring it is free from material misstatement, whether due to fraud or error. Furthermore, Management is responsible for establishing objective accounting policies for the preparation of the ESG data, for the overall content of the ESG statement, and for measuring and reporting ESG data in accordance with the accounting principles presented on page 37-40.

Auditor's responsibility

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

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.

Summary of work performed

In obtaining limited assurance over the ESG data our objective was to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion with limited assurance. The procedures performed in connection with our limited assurance engagement are less than those performed in connection with a reasonable assurance engagement. Consequently, the degree of assurance for our conclusion is substantially less than the assurance which would be obtained had we performed a reasonable assurance engagement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the sustainability statement.

As part of our examination, we have:

- conducted interviews with data owners and internal stakeholders to understand the key processes and control activities for measuring, recording and reporting the selected ESG data;
- reviewed evidence on a selective basis to check that data has been appropriately measured, recorded, collated and reported;
- performed analytical review of the data and trends to identify



areas with significant risk of misleading or unbalanced information and obtained an understanding of any explanations provided for significant variances;

- considered the presentation and disclosure of the selected ESG data;
- 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 selected ESG data marked in column “Limited assurance” for the year ended 31 December 2024, has been prepared, in all material respects, in accordance with the accounting principles on pages 37 to 40 in the ESG Report 2024.

Copenhagen, 20 February

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Jens Serup
State Authorised Public Accountant
MNE no 45825

Nelli Andersen
State Authorised Public Accountant
MNE no 21398



Glossary

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).

Location vs market-based approach

A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly gridaverage emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).

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.

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.

Science-Based Targets initiative

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

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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