

Missionpharma

COMMUNICATION ON PROGRESS 2021



MISSIONPHARMA
cfaogroup.com



CONTENTS

TABLE OF CONTENTS

3	CEO statement
4	Communication on Progress award
5	Locations
6	About Missionpharma
7	Business model
9	Our group
10	Our sustainability framework
11	Our sustainability commitments
12	Sustainable Development Goals (SDGs)
13	Human Rights
16	Labour
19	Environment
23	Anti-corruption
26	Performance and targets

ABOUT THIS REPORT

This Communication on Progress (COP) summarises our actions in accordance with the requirements as a signatory to the UN Global Compact.

In this report we present our approach to and continual improvements within human rights, labour, environment and anti-corruption aligned with the Sustainable Development Goals (SDGs).

All data included in this report cover the Missionpharma Group for the period 1/4-2020 to 31/3-2021, unless otherwise mentioned, which corresponds to our financial year.



**WE SUPPORT**

CEO STATEMENT

We believe that responsible business conduct adds value to our business and generates positive impacts to our customers, partners and employees. Consequently, our strategy is guided by the UN Global Compact principles and the Sustainable Development Goals.

We recognise our corporate responsibility to respect human and labour rights, to commit to environmental protection and to work against corrupt behaviour, and we are once again happy to confirm our commitment to the principles of responsible business conduct promoted by the UN Global Compact.

In this Communication on Progress report we present the results of our efforts to generate measurable and beneficial development impacts with the ambition to keep improving our work. Sustainability is an integrated part of our operations, and our ambition is to continuously improve business operations across our value chain, making them more efficient, environmentally friendly and socially responsible.

Although this financial year has been heavily affected by the COVID-19 pandemics, Missionpharma has shown great strength in securing our long-term business environment and the well-being of employees. We are still determined to make positive change, even under difficult circumstances.

I would like to thank all of Missionpharma's employees, customers and partners for their dedication, hard work and important achievements during the year. We shall continue our joint mission for better global health by supplying safe and affordable healthcare while making complexity easy.

I hope you will enjoy our Communication on Progress report.

CHRISTIAN OVERGAARD
CEO, Missionpharma Group

COMMUNICATION ON PROGRESS AWARD

Missionpharma's 2020 Communication on Progress report was selected for SMV COP 2020 - an annual event showcasing best practices in sustainability reporting with the main purpose of motivating and inspiring other companies to raise the bar.

OUR COP REPORT AMONG THE BEST!

Missionpharma was among the five companies on the list of the best sustainability reports in 2020 in the Danish SME segment (Small and Medium-sized Enterprises w. 250 employees and below).



The SMV COP 2020 is an annual event organised by Global Compact Network Denmark and FSR (Association of Danish Auditors). The purpose of the initiative is to recognise the Danish small and medium-sized enterprises, which are particularly noted for their reporting on sustainability and for providing reliable and useful information about their work with the UN Global Compact Ten Principles and the Sustainable Development Goals (SDGs).

SMV COP 2020

The committee specifically emphasised Missionpharma's COP report for being well-written and for clearly presenting our policies, progress, results and ambitions for our sustainability work. Further, our report was particularly recognised for transparency in performance and target measurements providing confidence in the data provided.



Photographer: Niels Meilvang

The prize was handed over by former Deputy Prime Minister, Kristian Jensen, and President of the CSR committee in the Association of Danish Auditors, Birgitte Mogensen.

Missionpharma's nomination for SMV COP 2020 was celebrated at an event hosted by Global Compact Network Denmark and the Association of Danish Auditors on September 1st 2020. CEOs from the listed companies as well as senior representatives from the industry participated in the event.

"Our annual COP report plays an important role in our communication about our impact on society. We are extremely proud of this recognition and we are happy to serve as an inspiration for other companies".

- Christian Overgaard, CEO

EVALUATION CRITERIA

With the basic criteria for COP reporting as defined by the UN Global Compact as point of reference, CSR experts from major consultancies make a professional evaluation of all submitted reports. Reports are evaluated based on a range of criteria, such as the company's ability to describe its work and progress with the 10 principles in a relevant, reliable and useful way, while at the same time displaying transparency in target measurement and performance data.

The committee selected five reports for SMV COP 2020, which they believe particularly serve as an inspiration for other companies.

LOCATIONS

HEADQUARTERS

Missionpharma A/S
Vassingerødvej 9
3540 Lyngby • Denmark
Tel. +45 48 16 32 00
info@missionpharma.com
www.missionpharma.com



ABOUT MISSIONPHARMA

Missionpharma is a leading supplier of generic pharmaceuticals, medical consumables, hospital equipment and medical kits to public and private institutions, international development organisations and the UN.

We have offices in Denmark, India, China and Zambia and currently employ 144 people globally. Our head office is based in Denmark, from where our overall business activities are managed. We have a fully integrated logistics setup, which includes GDP-certified pharmaceutical warehousing and complete kit packing facilities in India and Denmark. In addition, we have a comprehensive network of local representatives in over 30 countries worldwide.

Missionpharma is a wholesaler specialised in managing the entire supply chain of healthcare products - from sourcing and procurement of the right product at the right price, through comprehensive quality assurance and kit packing to delivery at the final destination. Products are primarily sourced and procured from manufacturers based in Europe and Asia and supplied to customers outside the EU; primarily in Africa and Asia.

We are a part of Eurapharma, which is owned by the CFAO Group – a multinational distributor of brands, particularly within technology, healthcare and consumer goods – and ultimately owned by Toyota Tsusho Corporation (TTC) in Japan. This integration enables us to further establish and develop our wholesale operations and to extend our operational reach.

OUR PRODUCTS



Generic pharmaceuticals



Medical consumables



Medical kits



Hospital equipment

We fundamentally believe that access to the highest attainable standard of safe and affordable health products and services should be a human right.

By delivering solutions with a long-term positive impact, we grow the communities we work in – and we grow Missionpharma. We focus on continuously improving our market position and at the same time developing new business areas through focused strategic initiatives.

We are motivated by creating value to all our stakeholders, but our core focus is to increase access to essential healthcare products in our markets at affordable prices and consistently high quality.



144

EMPLOYEES GLOBALLY



731

MILLION DKK IN REVENUE



5

LOCATIONS



1975

COMMENCING BUSINESS



2012

PART OF THE TTC, CFAO AND EURAPHARMA GROUP

BUSINESS MODEL

We are founded on a strong desire to increase access to safe and affordable healthcare globally and to integrate responsibility in the way we act as a company.

BUSINESS MODEL

Our business model, our strategic focus, our organisation and the values upon which we perform our business form a solid foundation for living our purpose, achieving our long term targets and creating shared value for all our stakeholders. At the same time, our business activities are targeted towards creating a platform for sustainable growth.

Missionpharma specialises in developing products and projects in collaboration with customers and partners. Our solutions are based on knowledge, experience, commitment and hard work.

BUSINESS APPROACH

Our proven ability to handle complex supply projects ensures reliable delivery to the final destination, even to the most remote clinics or health posts. Handling product sourcing with multiple manufacturers and performing sufficient quality assurance and quality control can be substantial tasks. Missionpharma specialises in managing the entire range of activities involved and offers a single-point-of-contact approach throughout the entire project.

Our in-depth understanding of customer needs and operating environments enable us to market and sell impactful solutions. We focus greatly on continuously improving our market position in relation to customers, markets and products, while at the same time optimizing contract execution and simultaneously developing new business areas through strategic initiatives.

CREATING SHARED VALUE

Missionpharma focuses on creating value towards all interested parties, including:

- Customers and patients in our markets by securing availability of essential healthcare products at affordable prices and a consistently high quality
- The societal challenges by actively contributing to the UN Global Compact's Ten Principles for human rights, labour, environment and anti-corruption
- Securing our shareholders a competitive total return on investment
- Providing a safe and healthy work environment for our employees and foster an inclusive culture where people can grow and develop.



►► IMPACT

177,000 medical kits

manufactured at our kit packing facilities in India and Denmark in financial year 2020/21

BUSINESS MODEL

Our business model forms the framework for how we use our resources to create social, environmental and economic value to the people and societies we engage with.

VALUE CREATED



PATIENTS

We make a difference for millions of people all over the world by making safe healthcare affordable. Every year, we supply around 40,000 cbm of essential medicines to patients in vulnerable communities.



PARTNERS AND STAKEHOLDERS

We rely on constructive relationships with our partners to deliver efficient solutions with impact. Always based on respect and sustainability considerations.



FINANCIAL CONTRIBUTION

Our revenue comes from sales of life-saving medicines. Focusing on long term shareholder returns allows us to invest in sustainable solutions.



EMPLOYEES

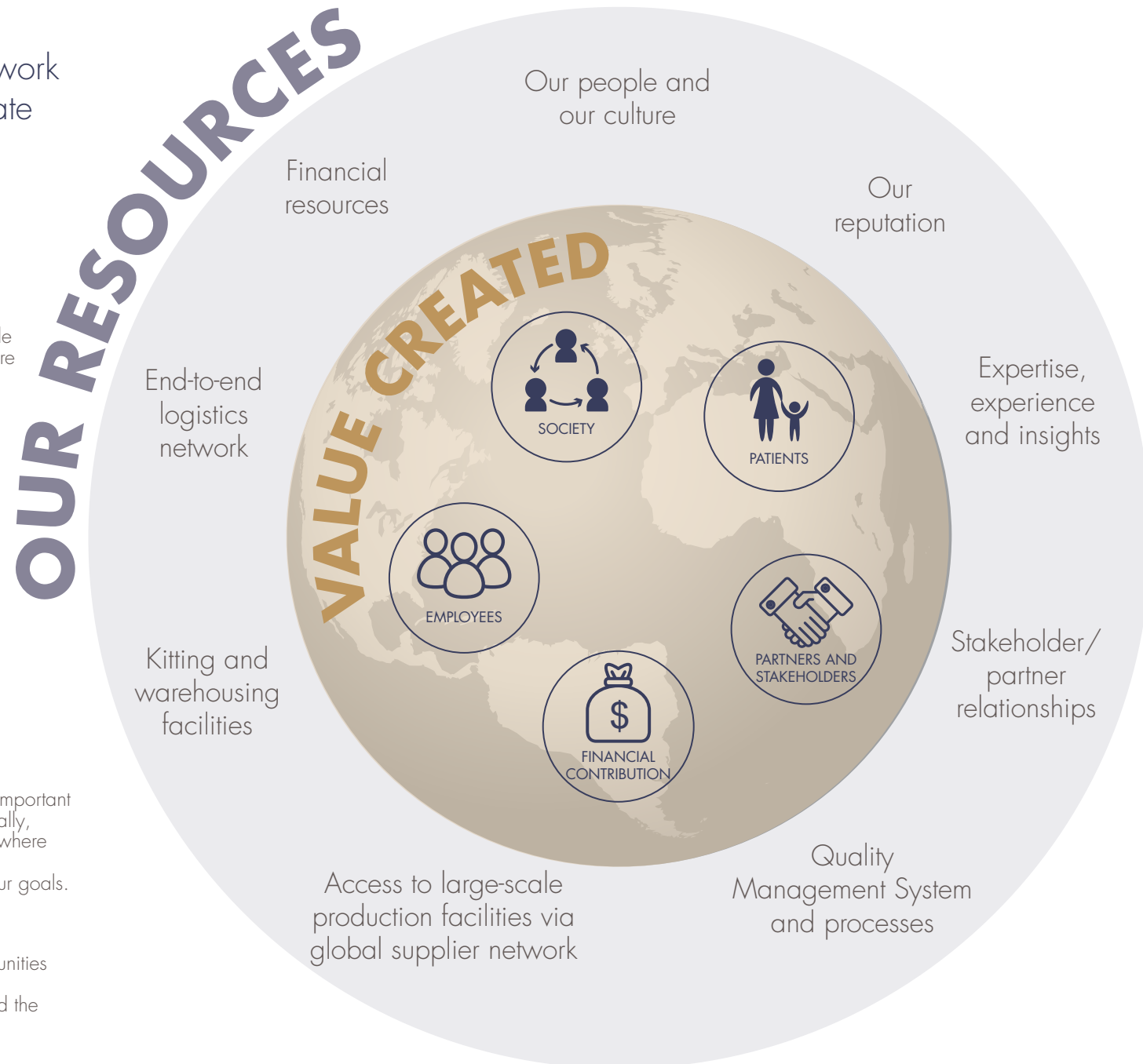
Our 144 employees are among our most important assets. With 13 different nationalities globally, we foster an inclusive and diverse culture, where people can grow and develop. Passionate employees are the driving force to reach our goals.



SOCIETY

We take active part in empowering communities by developing simple solutions to complex challenges - with respect for the people and the societies we engage with.

OUR RESOURCES



OUR GROUP

Toyota Tsusho Corporation (TTC)

is the trading arm of the Toyota Group and a specialist within the automotive, machinery, energy, chemicals and food industries in both domestic and overseas markets.

TOYOTA TSUSHO
CORPORATION

Employees: 66,000
Annual turnover: EUR 55 billion
Operational reach:
1,000 group companies in 120 countries
around the world

CFAO Group is a multinational distributor of brands, particularly within equipment, healthcare and consumer goods. The Group has a strong presence on the African continent.

CFAO

Employees: 22,000
Annual turnover: EUR 5.5 billion
Operational reach:
158 operating offices in 38 countries in
Africa and 9 overseas territories

Eurapharma is a leading distributor of branded-originator pharmaceuticals to the private market in primarily Africa. Eurapharma is represented on the African continent by its own distribution companies: Laborex, Continental Pharmaceutique and E.P. DIS.

EURAPHARMA

Employees: 3,200
Annual turnover: EUR 1.5 billion
Operational reach:
40 operating subsidiaries in 23 countries
in Africa and 7 French overseas territories

MISSIONPHARMA

For further information please visit:

Missionpharma: www.missionpharma.com

Eurapharma: www.eurapharma.com

CFAO Group: www.cfao.com

TTC: www.toyota-tsusho.com

March 2020 figures

A complete group chart is found on Missionpharma's website at
<https://missionpharma.com/about/#global-set-up>

OUR SUSTAINABILITY FRAMEWORK

Missionpharma's most important positive impact on society lies in our contribution to facilitating access to safe and affordable healthcare and thereby improving quality of life for millions of people worldwide.

INFLUENCING GLOBAL HEALTH

As a global business with activities in numerous countries worldwide, we not only have an opportunity – but also an obligation – to address, influence, support and change global healthcare issues. Our leading market position and many activities in challenged communities around the world allow us to make an impact on many people's lives, whether they are patients, partners, customers or employees. Making a difference for our broad portfolio of stakeholders is the core goal of our company. It's why we do what we do.

According to WHO, about one-third of people across the world lack access to essential healthcare, and minimum 10% of all medical products in developing countries are substandard or falsified. Since 1975 Missionpharma has continued to improve global health by supplying quality medicine, medical devices and kits to people all over the world.

WE CREATE SHARED VALUE

We seek to create economic, environmental and social value to the people and communities we engage with. Our sustainability commitment is founded in this triple bottom line approach, which ensures that business decisions balance all three areas, while always keeping in mind the best interests of our stakeholders.

FACTS*

- **99%** of all maternal deaths occur in developing countries
- Over **800 women** die each day from complications in pregnancy and childbirth
- Every **11 seconds**, a pregnant woman or newborn dies somewhere around the world - most of them due to preventable and treatable reasons
- At least **1 in 10** medical products in developing countries is substandard or falsified
- Estimated **1 million** patients die annually from toxic counterfeit pharmaceuticals

**Sources: Unicef, WHO and PwC*

As a member of the UN Global Compact we conduct our business activities with respect for the Ten Principles for human rights, labour, environment and anti-corruption and the relevant UN Sustainable Development Goals.

We also work actively to identify, prevent and mitigate any adverse impacts and risks associated with our sustainability commitments. We have addressed these risks separately in the "Risk Management" section.



►► IMPACT

40,000 cbm

of healthcare products delivered to patients annually

OUR SUSTAINABILITY COMMITMENTS

Corporate responsibility is deeply rooted in our culture and in the way we work. Missionpharma is committed to acting responsibly in all parts of our business and in all relations with our surroundings.

We know that responsible business conduct provides sustainable and long-term business results and that responsibility is a prerequisite for retaining our customers', partners' and employees' trust and confidence.

Our sustainability commitments aim to ensure that our activities are conducted in a way that supports the UN Global Compact Principles and the relevant SDGs, while still mitigating significant risks and adverse impacts. The backbone of our sustainability work is shaped by the Ten Principles of the UN Global Compact within human rights, labour, environment and anti-corruption and the relevant Sustainable Development Goals (SDGs).

Missionpharma has been a member of the UN Global Compact since 2018, but even long before our active engagement, acting responsibly while continuously focusing on creating a positive impact on society has been an integrated part of our work and deeply rooted in our company culture.

Together with our employees and partners, we want to work towards a more responsible supply chain for our customers and our other stakeholders - and we want to make sure that our collaborations add value to local economies.

One of the ways to do this is to create a transparent and responsible value chain. Our approach builds on our ambition to make a positive difference, to establish responsible processes for our products and services while aiming to systematise and strengthen our stakeholder risk management.

Missionpharma has defined four sustainability commitments – in line with the UN Global Compact principles and founded on a triple bottom line approach – which we adhere to and seek to continuously develop and integrate further into our global organisation.

COVID-19 EFFECTS ON OUR OPERATIONS

As a leading supplier of essential medicines, Missionpharma plays an important role in securing health supplies also during the crisis. As for everyone else, the global COVID-19 pandemic has had an influence on Missionpharma's normal business routines.

We are continuously focusing on mitigating the impact of COVID-19 and the associated risk on our operations. In every region we operate, we are working with partners to ensure continuity of our operations. Although the world is in the midst of a global pandemic crisis, our business model has shown resilience against the disturbances and we are proud to have been able to maintain a constant delivery flow to our customers.

Precautionary measures taken are many but include, among others, proactive risk evaluation of every single order, close monitoring of manufacturing and logistics situations as well as ensuring a consistently high information level internally in our organisation as well as externally towards customers and partners on issues, which may influence supplies.

OUR FOUR SUSTAINABILITY COMMITMENTS

HUMAN RIGHTS



We improve global health

by making safe healthcare affordable

LABOUR



We empower people

by fostering an inclusive culture where people can grow and develop.

ENVIRONMENT



We reduce our environmental footprint

by striving to integrate environmental responsibility into all our activities.

ANTI-CORRUPTION



We stand for integrity

by aiming for the highest ethical standards in our business practices.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Missionpharma is committed to contributing to the SDGs as they inspire our strategies and targets and constitute important elements towards strengthening our corporate sustainability. Therefore, we have incorporated universal principles of responsibility and sustainability into our core operations and across our value chain.

SDG FOCUS

Missionpharma has been a signatory to the UN Global Compact since 2018 and it is a natural consequence of our commitment to the Ten Principles to engage with the Sustainable Development Goals (SDGs). The goals are closely interlinked with our sustainability commitments for human rights, labour, environment and anti-corruption.

Looking across the SDGs and underlying targets, Missionpharma touches, directly or indirectly, many of the goals. We have chosen to target our efforts towards specifically the UN Sustainable Development Goals no. 3, 8 and 13 and the relevant sub-targets.



Goal 3, Good health and well-being, is by far the goal, where Missionpharma has the ability to significantly contribute to large-scale positive transformations, as this target directly relates to our focused efforts to improve access to safe healthcare globally. In addition to Goal 3, we contribute particularly to Goal 8, Decent work and economic growth and Goal 13, Climate action.



SDG 3: GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages.

In particular, Missionpharma focuses on contributing to the following sub-targets:

- 3.1: Reduce the global maternal mortality ratio
- 3.2: End preventable deaths of newborns and children
- 3.3: End the epidemics of AIDS, tuberculosis, malaria
- 3.4: Reduce premature mortality from non-communicable diseases
- 3.7: Ensure access to sexual and reproductive health care services
- 3.8: Achieve universal health coverage

MISSIONPHARMA'S CONTRIBUTION TO GOAL 3

Our activities reach further than making generics available; we organise dedicated initiatives to improve maternal and child health and reduce the maternal mortality ratio, we supply products to combat HIV, TB and malaria epidemics, we provide products to prevent and treat non-communicable diseases (NCDs), we offer solutions to address family planning issues and we improve access to universal health coverage through providing access to quality medicine and vaccines.



SDG 8: DECENT WORK AND ECONOMIC GROWTH

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

MISSIONPHARMA'S CONTRIBUTION TO GOAL 8

Both permanent and casual employees count as a vital resource in our organisation. Therefore, we do our best to protect the well-being of our employees by providing a safe and healthy work environment and fostering an inclusive culture where people can grow and develop.



SDG 13: CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

MISSIONPHARMA'S CONTRIBUTION TO GOAL 13

With climate changes being among the world's biggest challenges we have an obligation to continuously improve our environmental performance and to define concrete goals to reduce our environmental footprint every year.



HUMAN RIGHTS

We want to improve access to safe and affordable medicine worldwide, while consistently focusing on ensuring that products are provided to patients under responsible and sustainable conditions.

APPROACH TO HUMAN RIGHTS

We fundamentally believe that access to safe and affordable healthcare is a human right. In many countries medical supplies from Missionpharma constitute the backbone of local healthcare solutions. Therefore, we work towards continuously refining our fundamental purpose: To ensure timely delivery of quality-assured medicine and medical devices to those who need it. Therefore, we continuously seek to advance our supply chain to make healthcare products available and to actively address barriers to accessibility.

In addition to contributing to making a difference for millions of people every year, it is our obligation to protect human rights within our organisation and, to the largest possible extent, to influence those of our manufacturers and partners throughout the value chain.

HUMAN RIGHTS POLICY

Missionpharma has a zero tolerance against infringement of human rights, and in particular to the use of child labour. Working in global partnerships, we are guided by national laws and internationally proclaimed human rights.

The WHO Technical Report Series No. 986 and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work serve as guidelines for our approach to universal human rights.

OUR GLOBAL CODE OF CONDUCT & ETHICS

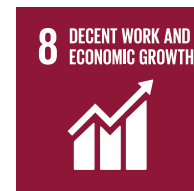
- We do not engage or get involved in any business that is against human dignity
- We do not discriminate based on race, colour, gender, religion or national origin
- We do not tolerate any form of harassment
- We do not deal with any person that engages in or is involved with any human rights abuses
- We do not get involved in any child labour, human trafficking or any other kind of forced or involuntary labour

We do not accept any kind of forced or compulsory labour, we work actively to abolish child labour and we aim to assure that no breach of local and global regulations takes place in our operations or with our partners, to the extent possible.

HUMAN RIGHTS VIOLATIONS:

Discrimination:	Zero reports
Forced labour:	One report*
Freedom of Association and Collective Bargaining:	Zero reports
Child labour:	Zero reports

*Case investigated and closed





HUMAN RIGHTS

ACHIEVEMENTS 2020/21

FROM TARGET OVERVIEW

- Due to COVID-19 restrictions, we have only executed 18 GMP audits, which significantly differs from targeted 50-60 audits annually
- Assessment of child labor, recruitment policies and staff labour contract details intensified as part of every GMP audit schedule

OTHER ACHIEVEMENTS

- Significant contribution to SDG Goal 3 by supplying more than 40,000 cbm of healthcare products to patients worldwide
- Mobilising extensive contingency measures to limit the negative effect of COVID-19 on our ability to ensure consistency in supply of medicines
- Missionpharma Logistics India wins the 'Highest Export Award' for the 11th time since inception of the company - and the 7th consecutive award. A testimony of the strength of our supply chain to secure quality medicines to our customers
- Obtained ISO 13485 medical device certification by Bureau Veritas
- No violations of human rights reported within our own organisation and one reporting identified with third party

MAINTAINING HIGH QUALITY STANDARDS DURING COVID-19

As for everyone else, the global COVID-19 pandemic has had an influence on Missionpharma's usual business routines. Extensive travel restrictions have prevented us from maintaining our usual high levels of on-site supplier GMP audits.

As we are determined to ensure consistently high product quality standards also during crises, we have been forced to implement new routines to minimise risk of non-compliance with Missionpharma predefined quality standards.



The limitations currently faced in performing on-site supplier audits has incited us to establish procedures to conduct virtual audits to compensate for physical audits. Virtual audits include, among others, extensive evaluation of written documentation, which is cross-verified in details during the virtual audit using video conference tools.

Last year we complemented our established GMP supplier audit programme with assessment of specific human rights areas, such as child labour, human trafficking and ethical practices. Therefore, these parameters are individually assessed and documented during every audit according to Standard Operating Procedures (SOPs).

ISO 13485 CERTIFICATION

Needless to say, safety and performance of the medical devices we supply are of utmost importance to us. In 2020 Missionpharma was certified according to ISO 13485 by Bureau Veritas.

ISO 13485 is an internationally agreed medical device standard that sets out specific requirements to quality management systems in the medical device industry.

This certification reflects our ability to bring safe and effective medical devices to the market, while at the same time committing to incorporate continuous improvement in quality standards.

ISO 13485 BENEFITS:

- Ensures the establishment of QMS* practices that consistently support safe and effective medical devices
- Manages risks associated with the safety and performance of medical devices
- Strengthens compliance with regulatory requirements
- Aligns our activities with the requirements of MDR/IVDR (Medical Device Regulation/In-vitro Diagnostics Regulation)

**Quality Management System*





HUMAN RIGHTS

COVID-19 CONTINGENCY MEASURES

We recognised early COVID-19's potential to become a pandemic that could have significant consequences for our ability to ensure a consistent supply of safe medicine to customers and patients. Therefore, focus has been kept on preparing and executing business contingency plans to cover most scenarios.

In addition to focused efforts to secure our supply chains, contingency plans include measures to effectuate emergency lockdown of our Indian operations in case COVID-19 starts spreading among our staff.



A minimum level of physical attendance is a prerequisite for ensuring packing continuity in our warehouses. With staff absent or isolated due to COVID-19, we are facing challenges upholding a consistent level of operations in our warehouses. Therefore, contingency plans cover extensive precautionary health measures for our employees, supported by emergency staffing plans, which enable us to uphold a certain level of packing activities or minimise duration of possible lockdown.

Operational lock down contingency plans are backed by concrete measures to secure consistent transport availability despite a serious decline in transport availability globally. Measures include, among others, proactive risk evaluation of every single order, detailed packing prioritisations, close monitoring of manufacturing and logistics situations and a range of efforts to advance container bookings to secure space for our consignments.

In addition, we have implemented remote monitoring of our warehouse to ensure security of stored goods during potential lockdown. The effectiveness of our contingency plans have been clearly demonstrated, with majority of our delivery performance upheld though the COVID-19 crisis.

WINNING THE HIGHEST EXPORT AWARD

Amidst all challenges, Missionpharma Logistics India was again this year recognized for our performance in exports and won the award as "Highest Exporter" by Kandla Special Economic Zone (KASEZ) authorities in the category *Drugs, Pharmaceuticals and Allied Products*.



This is the 11th award since inception of Missionpharma Logistics and the 7th consecutive award. Needless to say, we are extremely proud of this recognition of our immense efforts to secure deliveries to our customers all over the world.

OBJECTIVES 2021/22

- Continue our extensive contribution to SDG Goal 3 by striving to ensure consistent supplies of safe and affordable healthcare to patients worldwide
- Continue implementation of contingency measures to uphold our delivery performance through the COVID-19 pandemic.
- Resume supplier audit schedule post corona to reach original target of 50-60 on-site audits per year
- Continue implementation of our Third Party Code of Conduct towards relevant stakeholders
- Meeting international regulations to minimise sub-standard and falsified medicine by continuing our preparations towards GS1 (Global Standards 1) and MDR (Medical Device Regulation) compliance
- Engage in Corporate Social Responsibility (CSR) activities in our local communities in India targeted to improve safe and clean drinking water and to enhance skill level of our female casual workers and their children to better equip them for continuous job opportunities



LABOUR

Our employees are among our most important asset and we believe that an engaged workforce performs better. Therefore, we want to offer challenging and purposeful work with opportunities for personal and professional development.

OUR APPROACH TO LABOUR

With goal 8, Decent work and Economic growth, as one of our primary SDG targets, we are committed to promoting sustainable economic growth and ensuring a productive and decent work environment for all our employees.

Our employees are vital for Missionpharma's growth and the successful execution of our strategies. Therefore, it is important for us to focus on building a company culture in which our employees thrive both personally and professionally and where passion and engagement are principal values. We believe that a healthy and inspiring workplace in which our employees get the opportunity to develop themselves will allow our people to perform to the best of their abilities.

LABOUR POLICY

We protect labor rights and provide a safe and healthy working environment for our employees. Staying healthy and safe at work is a fundamental right and we offer our employees a sound physical and mental work environment in all our locations.

We do not accept any forms of forced, compulsory and child labour in any of our affiliates. We promote social diversity, we fight discrimination and we strive to provide an inclusive environment with equal opportunities for every employee.

We always seek a fair balance between men and women among our employees, as we believe it benefits our working environment and ability to develop.

DIVERSITY AND INCLUSION

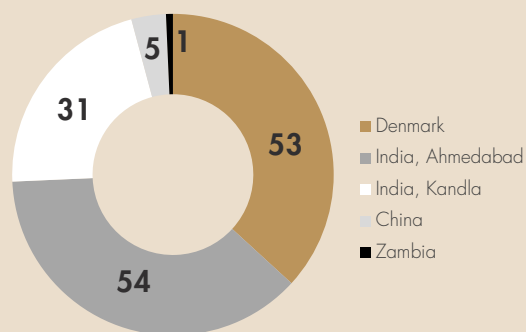
Missionpharma embraces diversity and we have a zero tolerance for any forms of discrimination and harassment. We consider diversity in nationalities, cultures, gender and backgrounds as a strength allowing us to achieve our vision and tailor our services to the needs and requirements of our clients and partners. By March 2021, we employ 13 different nationalities in our five locations.

We have a high-performance culture with equal opportunities for all, which allows employees globally to develop their professional and personal skills without discrimination. We believe this is the best way to ensure creativity, motivation, progress and mutual enrichment.

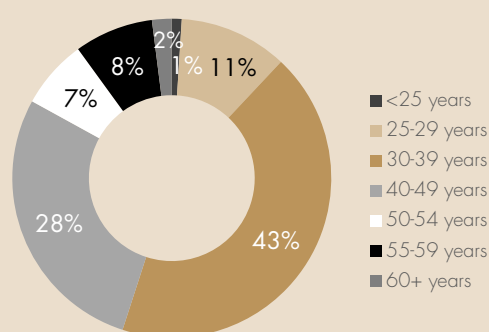


STATISTICS BY MARCH 2021 (Group figures)

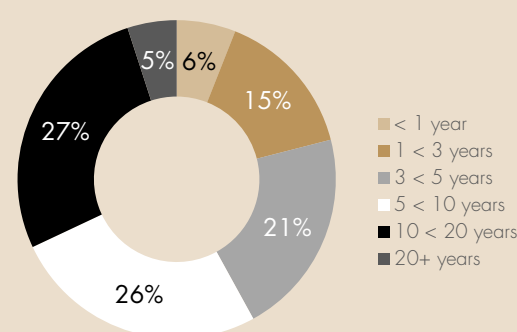
EMPLOYEE DISTRIBUTION



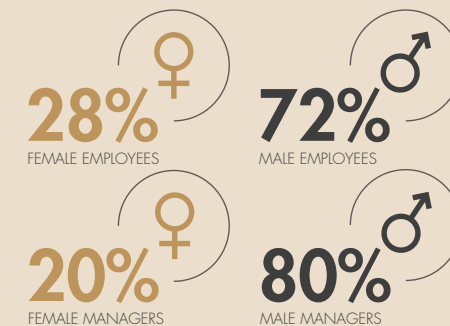
AGE DISTRIBUTION



SENIORITY



GENDER COMPOSITION





LABOUR

13 different nationalities are employed across our five locations.

ACHIEVEMENTS 2020/21

FROM TARGET OVERVIEW

- 90% of all employees globally believe that "Missionpharma is a great place to work"
- Gender distribution among managers has slightly dropped from 24% to 20% female managers
- Global coverage of annual Personal Development Talks and Personal Evaluation reached 100% across locations

OTHER ACHIEVEMENTS

- 97% response rate to this year's global employee satisfaction survey
- Introduction of a range of COVID-19 employee safety measures across locations
- Upholding the social glue via digital social initiatives substituting physical interaction
- Personality profiling and interaction training for all Danish employees and selected managers overseas

FAST FORWARDING ON THE DIGITAL AGENDA

The COVID-19 situation has forced us to rethink how to best optimise communication and secure a consistently high level of information-sharing within our global organisation and in our communication with customers and partners.

As is the case in many other companies, Missionpharma has been scaling up on virtual meetings, which has resulted in new meeting structures and communication channels. Among other initiatives, we have introduced monthly calls called "Standing closer with a distance", for all employees globally.



The main purpose of these global calls is to ensure a consistent sharing of information across locations - despite being physically apart. The meetings are very important in terms of keeping employees up to date on corporate news, and also they serve to provide a sense of community and team spirit across the organisation, which is key in times with extensive physical distance.

The COVID pandemic has forced us to increase work from home arrangements for our employees, which put additional requirements to technological performance and discipline. At the same time, work from home arrangements are adding to a more flexible work-life balance and leading to decrease in CO₂ emissions.

90% of employees have responded positively to the question *"When working remotely, our technology enables me to have good social interaction with my colleagues"* in this year's global employee satisfaction survey.

Our organisation globally has truly demonstrated continued positivity and organisational team spirit despite challenging work conditions and travel restrictions preventing us from meeting physically across locations. Without a doubt the COVID pandemic is forcing us to prepare for a more flexible and digitally driven workplace globally going forward.

SICKNESS ABSENCE

Sickness absence among our Danish employees is traditionally significantly lower than the average 3.6% among all Danish companies (2019 figure). This year, the drop may be related to increased work from home frequency and thereby less exposure to infections.

2020/21	2019/20	2018/19
1.00%	2.18%	1.16%

Figure includes Danish employees only

54%
DROP IN SICKNESS ABSENCE



EMPLOYEE SAFETY MEASURES DURING COVID-19

While fully maintaining operations during COVID-19 pandemic, Missionpharma has taken a number of measures to protect our employees by ensuring a healthy and safe working environment and to limit exposure to the virus in all our locations.

Specifically, we have encouraged employees to work from home to the maximum possible extent, we have provided a large range of personal protective and cleaning measures in all locations and have maintained a high information level about precautionary and preventive measures according to guidelines from local authorities.

GLOBAL COVID-19 HEALTH AND SAFETY MEASURES

- Increase work from home arrangements
- Implementation of strict guidelines on social distancing and sanitization coupled with consistent employee health monitoring
- Extensive cleaning and sanitization measures at locations
- Putting masks and hand sanitizers at employees' disposal
- Upgrade of insurance policies to cover COVID-related hospitalization for the entire family
- Maintain a high information level on international and local COVID guidelines
- COVID test coverage and mandate to follow national test strategies

GLOBAL EMPLOYEE SATISFACTION SURVEY

Missionpharma has a tradition of conducting comprehensive employee satisfaction surveys for our Danish employees on an annual basis through the Great Place to Work® survey platform. Last year we introduced a limited version of the survey in all locations globally. As we are continuously targeting towards increasing alignment of labour initiatives across our locations, we chose to expand the global survey further this year to include additional questions from the Danish survey.

SURVEY RESULTS 2021

Results from the question: *"Taking everything into account, I would say this is a great place to work"* are distributed as follows:

LOCATION	% POSITIVE RESPONSES
Denmark	90%
Ahmedabad	87%
Kandla	97%
China	93%
Total average	90%

We consider 90% satisfaction with Missionpharma as a workplace a satisfying result. Our 2020/21 target of employee satisfaction is set for 85% globally weighed.

We have chosen to display a relatively high level of transparency in the results towards employees and to involve them in defining actions for improvement in cooperation with managers. Extensive resources are used to translate feedback into concrete actions and initiatives to ensure continuous improvement.

GREAT PLACE TO WORK® CERTIFIED
Since 2010 Missionpharma has been certified as one of the Best Workplaces in Denmark by the Great Place to Work® Institute. We are extremely proud to be certified again in 2021.



Conclusions have allowed us to pinpoint issues of major importance and concern to our employees and to direct our attention toward potential areas of improvement with focus on ensuring global alignment of actions.

OBJECTIVES 2021/22

- Obtain a global employee satisfaction score of minimum 90% satisfaction with Missionpharma as a workplace
- Ensure Personal Evaluation (PE) and Personal Development Talks (PDT) coverage of 100%
- Strive towards increasing gender equality in our management teams globally
- Develop our technical platforms to ensure that performance matches increasing needs for virtual meetings and digital communication
- Ensure a healthy and safe working environment for our employees during COVID-19



ENVIRONMENT

We are committed to minimising the impact of our business operations on the environment and to continuously working to improve our environmental performance - not only today, but also well into the future.

ENVIRONMENTAL APPROACH AT MISSIONPHARMA

Missionpharma contributes to SDG goal 13, Climate action, through defined targets to mitigate our negative impact on the environment. With climate changes being among the world's biggest challenges we have an obligation to continuously improve our environmental performance and to define concrete goals to continuously reducing our environmental footprint.

Being an important supplier to healthcare programmes worldwide, transportation of goods constitutes by far the biggest environmental impact within our part of the supply chain. That's why we plan for the most environmentally effective mode of transportation, given the circumstances and with respect for customers' individual preferences.

Our fully integrated logistics setup in India directly contributes to minimising carbon emissions, as transportation distances to our customers in, typically, Africa and Asia are minimised when packing and shipping products directly from our logistics hub - and from our manufacturers located in India and China.

However, as a project-oriented wholesaler, we are often subject to a range of external factors on which we have limited influence. Still, we always try to influence our customers' and manufacturers' transportation preferences towards the method with the lowest possible environmental impact.

ENVIRONMENTAL POLICY

We want to reduce our environmental footprint every year through focused efforts to reduce energy consumption and CO₂ emissions. We strive to integrate environmental responsibility into all our activities on a global scale and, to the largest possible extent, to contribute to reducing our carbon footprint throughout the entire supply chain.

We want to minimise the electricity consumption in our own locations and we encourage employees to use resources sustainably and to create a climate-conscious working environment.

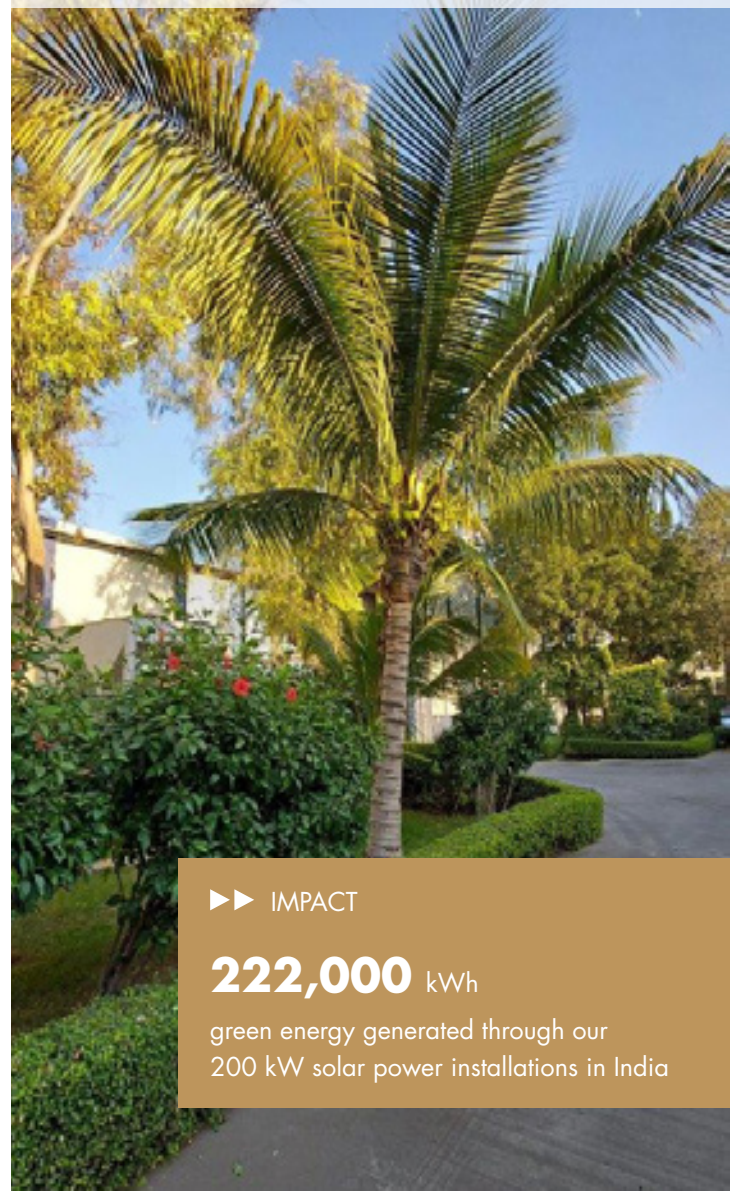
We will further establish, maintain and develop key performance indicators covering selected environmental areas to systematically monitor and improve our overall environmental performance.

To limit the negative environmental impacts from pharmaceutical manufacturing, and to ensure continuous improvement initiatives, we keep our manufacturers' social and environmental responsibility top of mind at all times. This is particularly addressed during periodical GMP audits, where we are intensifying monitoring of and requirements to our manufacturers' environmental policies.

13 CLIMATE ACTION



We have consistently been growing oxygen-generating plants and trees at our Indian facilities to encourage green and sustainable surroundings.



►► IMPACT

222,000 kWh

green energy generated through our 200 kW solar power installations in India



ENVIRONMENT

ACHIEVEMENTS 2020/21

FROM TARGET OVERVIEW

- Reduction in CO₂ emissions of 200 tons due to installation of totally 200 kW solar power in Kandla, India, generating more than 222,000 kWh green energy
- Group destruction levels of expired pharmaceuticals has increased 24% due to increased kit production for stock leading to product replacement needs
- Electricity consumption across locations increased compared to last year due to additional airconditioning needs in warehouses, however, based on more renewable energy generated from solar panels
- Initiation of recycling initiatives in our warehousing operations

OTHER ACHIEVEMENTS

- Installation of Poly Urethane Foam (PUF) panels in Kandla to maintain a lower temperature at container loading zones
- Direct printing of identification colours on cartons instead of using plastic bands
- Majority of air conditioners in Kandla runs on green solar power. Replacement of old ducts and AC units to increase AC efficiency
- Significant reduction in travel activity and transportation requirements within our group due to COVID-19 leading to decrease in CO₂ emissions
- Implementation of external Code of Conduct with inclusion of environmental impact considerations towards third parties

GREEN SOLAR POWER

Knowing that we have limited influence on customers' choice of transportation method towards the most environmentally friendly solution, we are focusing our efforts on where we can directly make a positive contribution on the environment.

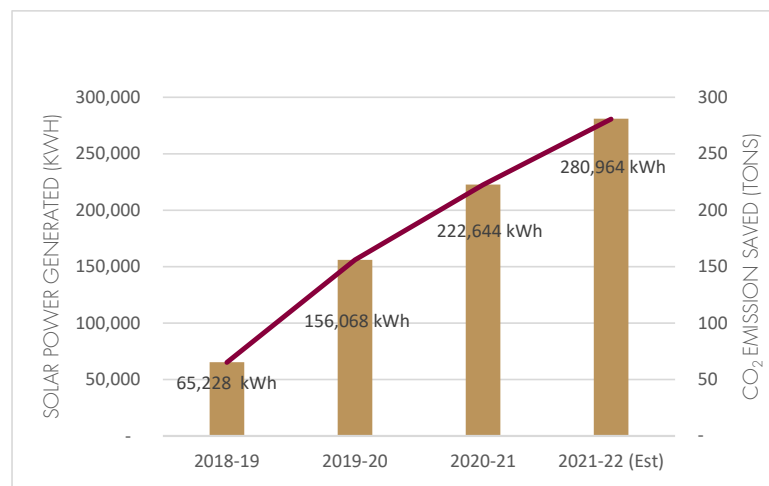
Our logistics hub in India accounts for nearly half of the total energy consumption within our Group. In 2020, we increased our solar power capacity with another 100 kW - increasing our total capacity to 200 kW.

The installation has provided an estimated reduction of 200 tons CO₂ and a generation of more than 222,000 kWh green energy in Financial Year 2020/21. Continued savings of over 250 tons CO₂ per year is expected going forward.



The 200 kW solar power generates power to cover close to 40% of the total electricity needs of our logistics hub in India. This includes extensive airconditioning power consumption to maintain all warehouses under temperature control.

SOLAR UNITS GENERATED IN KWH VS. CO₂ EMISSION SAVINGS



►► IMPACT

Solar power capacity:	200 kW
Green energy generated:	222,000 kWh
Reduction in CO ₂ emissions:	200 tons
Electricity coverage, Kandla:	40% of needs
Expected CO ₂ savings per year going forward:	250 tons



ENVIRONMENT

TEMPERATURE-CONTROLLED CONTAINER LOADING

As a part of our constant focus on maintaining temperature control throughout the supply chain, we have recently installed a sandwich PUF (Poly Urethane Foam) panel enclosure, which functions as a heat barrier, at container loading bays at our logistics hub in Kandla, India.



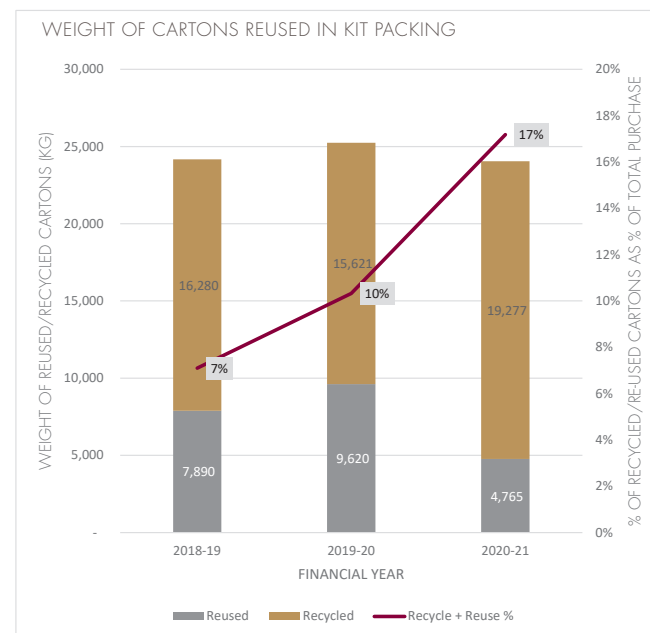
BENEFITS ARE:

- The temperature at the loading zone and consequently inside the container is kept low
- The outflow of cool air from the warehouse is lowered thus decreasing energy consumption
- Better and dust-free working environment for our loading crew, especially during hot summers

RECYCLING INITIATIVES

We believe that environmental challenges can also be great opportunities to innovate and become more cost- and time-efficient.

Being one of the world's biggest manufacturers of medical kits, we use an extensive amount of cartons to run our kitting operations. All our shipper cartons are FSC certified and made from 100% recyclable and biodegradable material, but we continuously investigate innovative and alternative ways of reducing waste, optimising use of packing material and incorporating recycling initiatives in our warehousing operations.



As part of our sustainability efforts, we team up with suppliers to standardise packing material in order to minimise repacking needs and reduce waste.

As our kit packing process generates a huge amount of scrap corrugated cartons, we have incorporated three mechanisms to maximise utilisation:

- Cooperating with our suppliers to standardise carton sizes to limit destruction needs
- Substitute carton labelling with direct printing of carton layout to the extent possible to allow recycling
- Segregate scrap cartons for recycling to make paper pulp, which is utilised to produce elements needed in kit packing processes (cardboard separator sheets, carton corners and protective packing material).

Recycling mills use excess pulp to produce products for other companies, why most of scrap cartons ultimately gets recycled and re-used.





ENVIRONMENT

CONTAINER OPTIMIZATION

In connection with a recent project involving supply of a large amount of essential drug kits to South Sudan, our Kandla team effectively optimized the kit packaging and developed customized pallets to optimally fit the consignment.

The solution resulted in a reduction in the number of reefer containers needed to ship the goods safely to South Sudan of not less than 21 containers. Not only did the customer obtain considerable savings in transportation cost; the customized pallets also contributed to a reduction of 17 tons of CO₂ emissions due to the substantial reduction in the number of reefer containers required.



►► IMPACT

Sailing distance:	4,500 km
Weight of cargo:	430 tons
Reefer containers saved:	21
CO ₂ savings:	17 tons

Unique marking of cartons is often a requirement from our customers to enable easy identification of products on site. By using colour coding on shipper cartons we ensure clear differentiation between kit types, products and/or destinations and we minimise the risk of mixup throughout the supply chain.



A customer requested us to incorporate a specific colour-coded plastic tape to make a cross band on each type of kit included in the contract. After discussions with the client we agreed to print the coloured band directly on the cartons in order to avoid use of a substantial amount of plastic.

Not only did we obtain a far faster packing process - we also ensured that cartons are fully recyclable and can be used to form paper pulp.

ISO 14001

Supplementing our ISO 9001 and ISO 13485 certifications, we are expecting to obtain ISO 14001 certification in financial year 2021/22.

ISO 14001 is an international environmental management standard, which can further guide us towards measuring and improving our environmental impact aligned with our commitments to the UN Global Compact.

OBJECTIVES 2021/22

- Obtain ISO 14001 environmental certification of Missionpharma A/S by Bureau Veritas
- Define and implement a range of Key Performance Indicators covering selected environmental areas to systematically monitor and improve our overall environmental performance
- No increase in energy consumption levels but increasing share of green energy
- Strengthen control of and requirements to manufacturers' and Freight Forwarders' environmental responsibilities as a consequence of our ISO 14001 certification and Third Party Code of Conduct
- Increase reuse of cartons in our kitting operations and reduce waste through intelligent reuse and recycling initiatives
- Continued focus on reducing pharmaceutical destruction levels following corporate stock keeping strategies (at least 3% below previous year)
- Anchoring environmental footprint awareness and continuous improvements among all employees with web-based idea collection tool



ANTI-CORRUPTION

Missionpharma is committed to maintaining trust throughout our operations and to conducting business with integrity and high ethical standards with respect for applicable laws, regulations and internal policies.

ANTI-CORRUPTION AT MISSIONPHARMA

Integrity is one of our core values. At Missionpharma, we are committed to upholding high business standards and promoting good business conduct globally in our interactions with customers, healthcare professionals, public officials, suppliers and other business partners.

We focus on SDG 8, Decent work and economic growth, as we want to promote sustainable growth for our company and our stakeholders, while still maintaining a productive work environment with transparent ethical standards for all.

Missionpharma's compliance policies apply to all employees of the Missionpharma Group as well as our local representatives and partners. The policies align our activities, promote uniform procedures and enable us to live up to our promise of being a trusted business partner.

GROUP COMPLIANCE POLICIES

- Group Global Code of Conduct & Ethics
- Third Party Code of Conduct
- Anti-bribery and Anti-corruption Policy
- Whistleblowing Procedure

All employees, local representatives and, where relevant, third parties receive training in our compliance policies and practices and commit to adhere to them in writing. New employees undergo mandatory training shortly after their employment.

POLICIES AND PROCEDURES

We firmly believe that responsible business conduct adds value to our business and to our employees and partners. Missionpharma is committed to ensuring that the business we conduct globally is fair, transparent and ethical. We aim to conduct ethical business practices and we comply with the laws in the countries we do business with, to the extent possible.

Missionpharma does not tolerate any form of corruption or bribery. To mitigate the risk of unethical behaviour, we have implemented a comprehensive vetting programme, which all business relations must pass through to ensure compliance with Missionpharma standards of integrity. Partners are always screened for critical information on persons and entities and our local representatives go through a rigorous due diligence process and approval procedure.

Guidelines and instructions are implemented in our group policies, which are supported by a whistle-blower system, where employees and external stakeholders can report concerns in a secure and confidential way.

8 DECENT WORK AND ECONOMIC GROWTH



▶▶ IMPACT

6 digital compliance training courses enrolled among Missionpharma employees





ANTI-CORRUPTION

TRACE MEMBERSHIP

Missionpharma has been TRACE certified and a member of TRACE since 2017. Our membership guides us in ethical business conduct in compliance with the U.S Foreign Corrupt Practices Act and the UK Bribery Act.



ACHIEVEMENTS 2020/21

FROM TARGET OVERVIEW

- All key local representatives trained in Missionpharma's compliance and whistle-blowing procedures and policies
- Completion of digital compliance training courses for managers and selected employees via TRACE International

OTHER ACHIEVEMENTS

- Release of new Code of Conduct for third parties - aligned with SA8000 requirements
- Renewal of our TRACE certification by completing a comprehensive due diligence process administered by the anti-bribery business organisation, TRACE International
- Vetting of all key local representatives through third party vetting and screening database
- 4 reports received through our whistle-blower system. All cases have been investigated and dealt with according to procedures and have not given rise to corrective actions

DIGITAL COMPLIANCE TRAINING

Missionpharma has the responsibility to ensure that all employees globally are aware of our ethics and compliance culture and policies. Therefore, all employees are provided mandatory compliance training to guide them in making the right decisions and to raise awareness when facing questionable situations.

To supplement our existing compliance training programmes, and with the aim to improve current training management, consistency and measurability, we have enrolled digital compliance training - accommodated to the relevance for the individual participant.

The digital training is based on an advanced e-learning platform and executed through TRACE International - a globally recognised anti-bribery business association and leading provider of third party risk management solutions. The training courses are web-based and developed in conjunction with experts within each selected theme.

Missionpharma is rolling out the digital training in steps, with Missionpharma's managers included in the first

training round, followed by a group of specifically exposed employees. Next training sessions will include additional employees and agents.

Training has contributed to strengthening staff's knowledge on key regulations within global compliance, enabling them to better mitigate risk of compliance violations.



TRAINING OF KEY LOCAL REPRESENTATIVES

To the extent possible, we have an obligation to ensure a consistently high level of compliance in our global activities - and to continuously strengthen the local anchoring of our compliance policies and procedures. Therefore, we have completed training of all our key local representatives in our compliance and whistle-blowing procedures, policies and compliance organisation.

Training was challenged due to travel restrictions in connection with COVID-19, however, we managed to complete all planned training via virtual meetings.

COMPLIANCE TRAINING COURSES ENROLLED

- Global anti-bribery compliance challenge
- Anti-money laundering
- Economic sanctions
- Conflicts of interest
- Sexual harassment & prevention
- Shipping & Logistics



ANTI-CORRUPTION

THIRD PARTY CODE OF CONDUCT

To complement our existing compliance policies, Missionpharma has implemented a Code of Conduct, which applies to all third parties, i.e. service providers, suppliers, customers, agents and consultants acting for or on behalf of Missionpharma - or partners supplying or selling any goods or services to us.

Any collaboration with Missionpharma implies adherence to this Code of Conduct or alternatively proof that the third party adopts equivalent ethical principles within its organisation.

OUR CODE OF CONDUCT ELEMENTS

- Child labor
- Forced or compulsory Labour
- Diversity, discrimination and harassment
- Freedom of Association & Right to Collective Bargaining
- Health and safety
- Environmental considerations
- Business ethics and trade rules

Third parties undertake to apply and promote the principles of our Code of Conduct, which fully supplements our Anti-bribery and Anti-corruption policy and Whistleblowing procedure.



The principles described in the Third Party Code of Conduct are, to a great extent, aligned with the leading social certification program, SA8000, to the extent that they emphasise partners to align their business with the principles of international human rights as described in the International Labour

Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Missionpharma reserves the right to refuse or cease collaboration with a partner, who acts in violation of the ethical rules described in the policy.

OBJECTIVES 2021/22

- Continue implementation of our Third Party Code of Conduct towards relevant stakeholders
- Enroll additional employees in digital compliance training programmes
- Increase depth and procedures of our due diligence screening of suppliers and third parties according to Group policies
- Strengthen our compliance organisation with dedicated resources



PERFORMANCE AND TARGETS

AREA	PERFORMANCE 2018/19	PERFORMANCE 2019/20	TARGET 2020/21	PERFORMANCE 2020/21	TARGET 2021/22
HUMAN RIGHTS					
GMP audits of manufacturers	50-60	46 <i>(planned audit schedule was impacted by COVID-19, which led to cancellation of 9 confirmed audits)</i>	Minimum 50-60 <i>(excl. effect of COVID-19)</i>	18 <i>(audit schedule heavily impacted by COVID-19)</i>	Minimum 50-60 <i>(excl. effect of COVID-19)</i>
Assess manufacturers' use of child labour	Observed but not a formal requirement during GMP audits	Integrated part of every GMP audit. Escalation procedure defined	Active review of GMP audit information	Child labour assessed and documented at every GMP audit	• Target achieved and discontinued <i>(covered by Third Party Code of Conduct going forward)</i>
Third Party Code of Conduct	-	-	-	-	Full implementation with stakeholder feedback
LABOUR					
Employee satisfaction	98% of Danish employees believe that "Missionpharma is a great place to work"	74% globally weighted	85% globally weighted	90% globally weighted	90% globally weighted
Gender composition among managers	18% female • 82% male	24% female • 76% male	A higher degree of gender diversity within our management teams	20% female • 80% male	Min. 20% female
Annual personal development talks coverage	100% (DK location) Global % not yet measured	84% globally	95% globally	100% globally	• Target achieved and discontinued

PERFORMANCE AND TARGETS

AREA	PERFORMANCE 2018/19	PERFORMANCE 2019/20	TARGET 2020/21	PERFORMANCE 2020/21	TARGET 2021/22
ENVIRONMENT					
Destruction of expired pharmaceuticals	9,900 kg	6,314 kg <i>(36% reduction)</i>	Continuous focus on reducing destruction levels	8,297 kg <i>(24% increase, primarily due to changes in stock keeping strategies)</i>	8,000 kg <i>(3% below previous year)</i>
Electricity consumption	1,072,000 kWh	1,136,000 kWh <i>(electricity consumption increased due to investment in airconditioners in India)</i>	930,000 kWh	1,294,137 kWh <i>(increase due to investment in new cooling systems, however, with 51% of total consumption based green energy)</i>	No increase in energy consumption levels but increased share of green energy
Solar power	100 kW	200 kW	200 kW optimised	200 kW optimised	• Target discontinued <i>(included in electricity consumption target)</i>
Recycling of packing material	Initiated packing material recycling efforts	A range of recycling projects initiated	Measure impact with improvement target	Implementation of initiatives to reduce waste and enhance recycling	• Target discontinued and substituted by individual project initiatives
ISO 14001 certified suppliers	-	-	-	-	40% of key suppliers are ISO14001 certified
ISO 14001 certified International Freight Forwarders (IFFs)	-	-	-	-	75% of prequalified IFFs are ISO 14001 certified
ANTI-CORRUPTION					
Training in new compliance policies	100% of Missionpharma employees trained	Most key local representatives trained	All local representatives trained	All local representatives trained	• Target achieved and discontinued
Tailored case-based training for exposed groups	Country Manager training in progress	Selected local representatives received case-based compliance training	Country Managers, Category Managers and local representatives	Target not achieved due to COVID-19	• Target discontinued and rolled into target for digital compliance training tools
Digital compliance training tools	Currently not used	Training plan for managers and Segment Heads in process	Incorporated towards relevant internal and external stakeholders	Roll out among managers and selected employees	Roll out to Country Managers/ KAMs and Category Managers
Due diligence screening of third parties	Systems and procedures incorporated in Standard Operating Procedures	New third party vetting and screening database introduced at Group level	Increased due diligence screening of suppliers according to Group policies	All new third parties screened in vetting and screening database	New vetting policy fully implemented

• Target discontinued



Missionpharma Group ApS
Vassingeroedvej 9
DK-3540 Lyngø
Denmark

Tel.: +45 48 16 32 00
info@missionpharma.com
www.missionpharma.com