

Missionpharma

COMMUNICATION ON PROGRESS 2020



MISSIONPHARMA
cfaogroup.com

WE SUPPORT





CEO STATEMENT

Businesses have an increasingly important role to play in securing a sustainable future and Missionpharma is no exception. That is why we are working hard to improve the financial and strategic health of our business.

We are happy to confirm our commitment to the principles of responsible business conduct promoted by the UN Global Compact.

Missionpharma works passionately to advance global healthcare and we run our business with integrity and respect for the communities in which we operate. 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.

This Communication on Progress (COP) report covers the Missionpharma Group and summarises our actions in accordance with the requirements as a participant to the UN Global Compact. In this, our second, report we present our approach to, and results within, human rights, labour, environment and anti-corruption. All figures included in this report cover the period 1/4 - 2019 to 31/3 - 2020 (unless otherwise mentioned), which corresponds to Missionpharma's financial year.

We will continue our focus on contributing to the Ten Principles for human rights, labour, environment and anti-corruption and the broader Sustainable Development Goals, and we will expand our measuring of impact. In the coming year, we plan to further strengthen our execution power by transforming strategies into concrete actions.

Finally, I would like to thank all of Missionpharma's employees, customers and partners for their dedication, hard work and important achievements during the year. Together we will strive to deliver intelligent solutions and to reach even more people with our products and services in the year to come.

CHRISTIAN OVERGAARD
CEO, Missionpharma Group

ABOUT MISSIONPHARMA



WE ARE

A leading supplier of healthcare products to national health programmes, international institutions and donor-funded global projects.



LONG HISTORY

Missionpharma's activities commenced in 1975 and the company has been a part of Eurapharma and the CFAO Group since 2012.



SUSTAINABILITY

Our activities are targeted towards creating a platform for sustainable growth - with respect for human rights, labour, environment and anti-corruption.



PRODUCTS

Our products include generic pharmaceuticals, medical consumables, hospital equipment and medical kits as well as a wide range of healthcare services.



GLOBAL PRESENCE

Missionpharma employs in total 150 people in Denmark, India, China and Zambia. In addition, we have local representatives in over 30 countries worldwide.



OUR PURPOSE

Missionpharma contributes to progress in Africa by strengthening tomorrow's healthcare with intelligent solutions and trustful partnerships.

ABOUT MISSIONPHARMA

Missionpharma is a leading supplier of generic pharmaceuticals, medical consumables, hospital equipment and medical kits to national health programmes, international institutions and donor-funded projects globally.

We have offices in Denmark, India, China and Zambia and employ over 150 people. Our head office is based in Denmark, from where our overall business activities are managed. 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 to delivery at the final destination. Products are primarily sourced and procured from manufacturers based in Europe and Asia and supplied to customers outside 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 mobility, healthcare, consumer goods and technology & energy – 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.

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 a consistently high quality.

For further information please visit:

Missionpharma: www.missionpharma.com

Eurapharma: www.eurapharma.com

CFAO Group: www.cfao.com

TTC: www.toyota-tsusho.com

40,000 CBM

OF HEALTHCARE PRODUCTS
DELIVERED TO CLIENTS ANNUALLY

GDP CERTIFIED

OWN WAREHOUSES IN
DENMARK AND INDIA

300,000

MEDICAL KITS
MANUFACTURED EVERY YEAR



OUR PRODUCTS

Our range of products comprises all essential medicines and medical supplies, including a full range of hospital equipment and matching services. Our expertise also covers development, assembly and packing of medical kits on demand.



GENERIC PHARMACEUTICALS



A complete range of generic pharmaceuticals in all dosage forms, as per the World Health Organization (WHO) Model Lists of Essential Medicines.



MEDICAL CONSUMABLES



Cost-effective consumables, ranging from syringes and needles to gloves, cotton wool and surgical instruments.



MEDICAL KITS



A variety of standard kits and the ability to develop customised kits – all in strict accordance with customer requirements.



HOSPITAL EQUIPMENT



A large portfolio of hospital equipment, including technical support and after-sales services.

OUR 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 local partners. Our solutions are based on knowledge, experience, commitment and hard work. They are developed always with respect for and in close dialogue with our partners.

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.

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

- Customers and patients in our markets by securing availability of essential health care 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
- Providing a safe and healthy work environment for our employees and foster an inclusive culture where people can grow and develop
- Securing our shareholders a competitive total return on investment



OUR GROUP

Toyota Tsusho Corporation 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: 59,000
Annual turnover: EUR 60 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:
145 operating offices in 36 countries in
Africa and 9 overseas territories

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

EURAPHARMA

Employees: 3,100
Annual turnover: EUR 1.5 billion
Operational reach:
40 operating subsidiaries in 23 countries
in Africa and 7 French overseas territories

MISSIONPHARMA

SUSTAINABILITY COMMITMENTS

Our 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.

OUR SUSTAINABILITY FRAMEWORK

As a global business with activities in numerous countries, 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 countries 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 stakeholders is the core goal of our company. It's why we do what we do.

We know that contributing to better healthcare is no simple task. It takes in-depth understanding of the needs of customers and patients, the local business environment and the entire healthcare systems in our markets.

WE CREATE SHARED VALUE

We seek to generate 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 financial, social and environmental considerations, always keeping in mind the best interests of our stakeholders.

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 SUPPORT



Missionpharma is committed to raising the bar for responsibility and sustainability by continuously strengthening our work with the Ten Principles of the UN Global Compact within human rights, labour, environment and anti-corruption.

SUSTAINABILITY COMMITMENTS

Missionpharma has defined four sustainability commitments – in line with the UN Global Compact principles – which we adhere to and seek to continuously develop and integrate further into our global organisation. We translate our commitments as follows:

HUMAN RIGHTS



COMMITMENT 1

**We improve
global health**

by making safe
healthcare affordable.

LABOUR



COMMITMENT 2

**We empower
people**

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

ENVIRONMENT



COMMITMENT 3

**We reduce our
environmental footprint**

by striving to integrate
environmental responsibility
into all our activities.

ANTI-CORRUPTION



COMMITMENT 4

**We stand for
integrity**

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

SUSTAINABLE DEVELOPMENT GOALS

Missionpharma is committed to contributing to the Sustainable Development Goals (SDGs) as they inspire our strategies and targets and constitute important elements towards strengthening our corporate sustainability.



GOOD HEALTH AND WELL-BEING

Missionpharma has been a member of 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.

We have just begun the process of selecting the SDGs to which we can contribute the most. Looking across the SDGs and underlying targets, Missionpharma touches, directly or indirectly, many of the goals.

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.

In the coming years, we will focus even more on defining where we can best contribute to the SDGs and establish initiatives required to achieve them.

On the following pages, we seek to make our sustainability efforts tangible for employees and stakeholders by describing our policies and contributions and measure our impact.

SDG 3: GOOD HEALTH AND WELL-BEING

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

Missionpharma primarily contribute to Goal 3 and in particular 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 healthcare services
- 3.8: Achieve universal health coverage

MISSIONPHARMA'S CONTRIBUTION TO GOAL 3

Our activities reach further than making generics available; we organize dedicated initiatives to improve maternal and child health, we supply product 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.

We provide these quality-assured healthcare products to international organisations, NGOs and Ministries of Health, especially in Africa



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

Employees count as the most important resource in our organization. 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 believe that access to safe and affordable medicine is a human right. Therefore, our most significant contribution to society is to ensure that our products reach those who need them.

HUMAN RIGHTS AT MISSIONPHARMA

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. This is also why Goal 3, Good health and well-being, is the SDG we mostly contribute to.

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. We are guided by national laws and internationally proclaimed human rights.

HUMAN RIGHTS POLICY

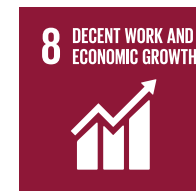
Missionpharma has a zero tolerance against infringement of human rights and particularly the use of child labour. We, and our partners, must at least meet the minimum requirement of national legislation in the area of labour law. We do not accept forced labour and we work to assure that no breach of local and global regulations takes place in any of our operations or with our partners, to the extent possible.

Our Group has set up a Global Code of Conduct & Ethics, which all employees are trained in and adhere to:

- 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

PROGRESS

In FY 2019/20, we complemented our established Good Manufacturing Practice (GMP) audit programme by incorporating assessment of selected human rights impacts with our manufacturers, such as child labour, human trafficking and ethical practices. The WHO Technical Report Series No. 986 and ILO Declaration on Fundamental Principles and Rights at Work serve as guidelines for our approach to the use of child labour. This allows us to improve our manufacturer selection and assessment processes by identifying potential issues early and accurately. Suspected malpractices are reported and escalated to Missionpharma's Compliance Committee for further evaluation and decision on accurate measures.



RESULTS IN 2019/20

- Continued contribution to SDG Goal 3 by supplying more than 40,000 cbm of healthcare products
- No incidents involving any breach of international conventions or Group Code of Conduct & Ethics were reported in FY 2019/20
- Incorporation of assessment of selected human rights impacts as a part of our manufacturer audit programme
- 46 GMP audits of manufacturers performed*

**Our audit schedule was impacted in Q1-2020 due to COVID-19 pandemics, which led to cancellation of 9 confirmed audits*

AMBITIONS AND TARGETS

- We want to uphold high ethical standards throughout our value chain by being accountable and transparent, respecting human rights and maintaining sound governance
- We will continuously monitor our potential human rights risks through our due diligence processes and whistle-blower scheme, and we aim at further increasing assessment of manufacturers and partners towards obtaining a higher level of control of their protection of human rights
- We will continue our extensive contribution to Goal 3 by focusing on increasing access to safe and affordable healthcare worldwide



HUMAN RIGHTS

Examples of impact and contribution in FY 2019/20

NO. 1

SUPPLIER OF GENERIC DMPA

Missionpharma is a leading supplier of generic Depot Medroxyprogesterone Acetate (DMPA).

Medroxyprogesterone is a hormonal injectable medication providing effective birth control.

Missionpharma has reached a position as the biggest supplier of the generic DMPA to donor-funded programmes worldwide - a result of a long-term focused strategic approach to product and supplier development.



300,000

MEDICAL KITS MANUFACTURED EVERY YEAR

Missionpharma is the world's largest supplier of medical kits to the public market in Africa having more than 30 years' experience.

A medical kit typically contains both pharmaceuticals and consumables and is designed to treat between 1 and 1,000 people. Kits improve practical use by ensuring availability of all products at the same time in addition to providing efficiency in the supply chain, if optimally tailored to the specific needs and medical purposes in the country.

32 MILLION

OUTPATIENT CONSULTATIONS IN MOZAMBIQUE

By delivering more than 46,000 medical kits to Mozambique, we have facilitated close to 32 million outpatient consultations in rural health facilities.

The kits ensure availability of basic medicine in urban and rural areas in Mozambique and address the most common health conditions seen at the health centres and health posts. In addition, the kits ensure easy supply chain management and handling of medication by less educated staff.

The composition of the kits is based on the most common diseases seen at the health facilities in the country, such as diarrhoea, respiratory and gastrointestinal complications, malaria, anaemia, post-partum haemorrhage and numerous infections.





HUMAN RIGHTS

Examples of impact and contribution in FY 2019/20

NO. 1

HIGHEST EXPORT AWARD

Missionpharma Logistics India wins the 'Highest Export Award' for the 6th time.

In March 2020, Missionpharma Logistics in Kandla was recognised for our performance in exports and won the award as the 'Highest Exporter' by Kandla Special Economic Zone (KASEZ) authorities in the category *Drugs, Pharmaceuticals and Allied Products*.

This is our 6th award since 2012, and it is a true honour to again be recognised for our efforts.



2-8°C

SECURING THE COLD CHAIN FOR INSULIN

Securing temperature stability is vital when transporting medicine. Insulin, in particular, is a temperature-sensitive product requiring strict cold chain handling throughout the supply chain.

In order to secure the cold chain, and to ensure maximum protection of products, we use a CoolPall™ Flex packaging solution with air transportation, which keeps the insulin at the requested storage requirements of 2-8°C throughout the entire transit time.



IMPLANT KIT

PROVIDES INCREASED CONTROL OF WOMEN'S REPRODUCTIVE HEALTH

The contraceptive implant, Etonogestrel, is a highly effective (99.95%), convenient and rapidly reversible long-acting method of contraception providing three years' efficacy. In its capacity as an implant, it provides anonymity of use, thereby supplying women increased control of their reproductive health.

In cooperation with the Ethiopian government, Missionpharma arranges for continuous supply of Implant kits, packed in our warehouse in Lyngby. In addition to the sub-dermal Etonogestrel implant, the kit contains essential products to conduct a safe procedure, such as gloves, gauze, local anesthetics and syringes.





Our most important asset is our employees. We aspire to provide an inspiring and performance-oriented work environment in which our people have equal opportunities and thrive both personally and professionally.

LABOUR AT MISSIONPHARMA

We believe that an engaged workforce delivers better results. We want to offer challenging and purposeful work with opportunities for personal and professional development. We do so by providing a safe and healthy work environment and by fostering an inclusive culture where people can grow and develop.

We believe that a workforce with diverse backgrounds, thinking and personalities combined with the right capabilities enables better performance and thereby drives better results. As an illustration of our embracement of diversity, we employ 14 different nationalities globally by the end of this FY.

LABOUR POLICY

We protect labor rights and provide a safe working environment for our employees. We work actively to eliminate all forms of forced, compulsory and child labour in our supply chain and in any of our affiliates. We promote social diversity, we fight discrimination and we strive to provide a fulfilling and inclusive environment for every employee. We always seek a fair balance between men and women among our staff, as we believe it benefits our working environment and ability to develop.

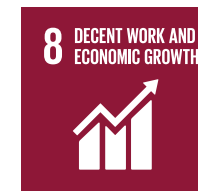
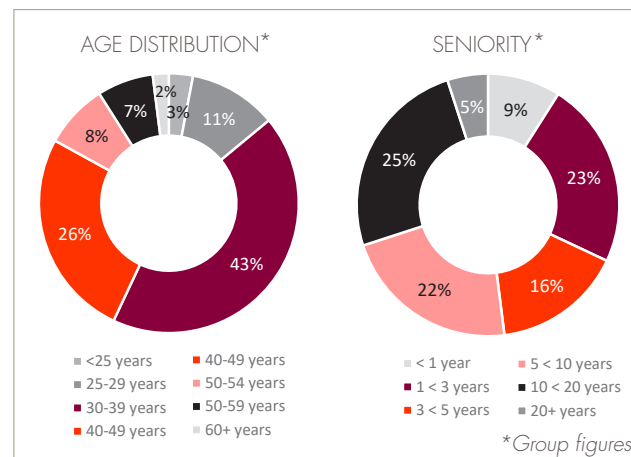
PROGRESS

Further to completing the traditional comprehensive Great Place to Work® survey among our Danish employees, we

introduced a reduced version of the same in all locations abroad in FY 2019/20. We experienced a high response rate and a satisfactory level of positive responses to the question about overall satisfaction with Missionpharma as a workplace.

This year we have expanded the annual personal development talks to include employees in all locations reaching a coverage of more than 90% of all employees globally.

Supporting our strategy of working smarter, we have arranged workshops on how to improve meeting efficiency and management. We also engage with our employees through various regional initiatives that enable employee development, increase employee motivation, drive safety and encourage healthy lifestyles.



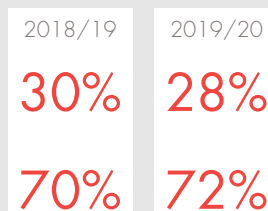
RESULTS IN 2019/20

- No reporting of safety-related incidents or labour rights violations in any of our locations
- Annual personal development talks coverage across locations: >90%
- % female managers increased from 18% to 24%
- Selected results from the global engagement survey:
 - Average response rate: 97%
 - Satisfaction with Missionpharma as a workplace:
 - DK: 93% positive responses
 - Remaining locations: 65% positive responses.

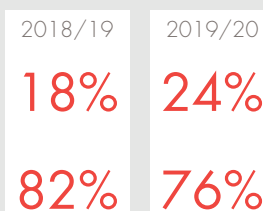
AMBITIONS AND TARGETS

- We want to remain an attractive employer and to foster a culture where employees develop personally and professionally
- We are including behavioral skills in our annual personal development talks in FY 2020/21
- We constantly strive towards a more balanced gender composition in our management teams

GENDER DISTRIBUTION*



GENDER DISTRIBUTION AMONG MANAGERS*



*Group figures



LABOUR

Examples of impact and contribution in FY 2019/20

2.18%

AVERAGE SICKNESS ABSENCE IN
FY 2019/20*

Sickness absence among Missionpharma's Danish employees is relatively stable, however, with a slight increase in the average number of sick days this year compared to last year. Sickness absence in Missionpharma is significantly lower than the average of 3.7% in 2019 among Danish companies.

**Covers Denmark only*



89%

AVERAGE GREAT PLACE TO WORK® TRUST INDEX SCORE (DENMARK ONLY)

This year we have expanded our annual engagement survey to cover all locations globally. We are proud of obtaining a Trust Index score of 89% positive responses (average results of all 59 statements) in the Danish Great Place to Work® survey.

The results from the global engagement survey revealed that our people find a strong sense of purpose in working for Missionpharma but also that there is a demand for translating our

strategy into practical implications at department level. The results from the global survey to the question "Taking everything into account, I would say this is a great place to work" were distributed as follows:

LOCATION	% POSITIVE RESPONSES
Denmark	93%
Ahmedabad	62.5%
Kandla	86.7%
China	100%
Zambia	34.8%

STRATEGY

COMMUNICATION OF COMPANY STRATEGY

This year's global employee engagement surveys revealed a distinct need for increased communication about Missionpharma's strategy and the implications of the strategy at department and personal level. Missionpharma's Leadership Team has focused on transforming this input into concrete actions.

Adding to the importance of effective communication, our employees in all locations are affected by the COVID-19 situation, and most have been working from home for a longer or shorter period of time. This has triggered an increased need for information sharing within our organisation, why global virtual conference meetings have been significantly scaled up to ensure increased interaction and information-sharing between all locations - on strategic as well as operational topics.





LABOUR

Examples of impact and contribution in FY 2019/20



TRAINING

PERSONAL AND PROFESSIONAL DEVELOPMENT FOR MANAGERS AND EMPLOYEES

We believe in strong leadership as a prerequisite for a successful organisation where people thrive and develop. Motivating and skilled managers are necessary qualifications for attracting and retaining a strong and dedicated employee base. In the coming year we will therefore continue to develop the training and support we provide for our managers with particular focus on team development, change management, conflict handling and appreciative leadership.

In addition to enhancing the managerial and leadership competences among our managers in the coming year, we have focused on developing the technical, commercial and personal skills among employees in our global organisation this year. We have engaged with our employees through various regional initiatives that enable employee personal and professional development, strengthen coordination, communication and motivation, promote safety and encourage healthy lifestyles. Past and future training requirements are captured in our bi-annual personal performance evaluation talks.

AMO

WORKING ENVIRONMENT ORGANISATION

Our working environment organisation (AMO) focuses on ensuring a healthy psychological and physical environment in Missionpharma Lyngø.

Since we conducted the statutory workplace assessment to measure the psychological, physical and ergonomic work environment in Missionpharma Lyngø by the end of 2018, our Working Environment Organisation has focused on ensuring structure and progress in the work performed. Among other initiatives, the organisation has coordinated upgrade of air conditioning in our warehouse, arranged first aid course, procured a defibrillator, updated fire instructions and evacuation plan and outlined a comprehensive maintenance plan for our indoor and outdoor facilities in Lyngø.





ENVIRONMENT

As a healthcare company, we want to minimise the impact of our business operations on the environment – not only today, but also well into the future.

ENVIRONMENTAL APPROACH AT MISSIONPHARMA

Being one of the world's largest suppliers 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. Where at all possible, we seek to minimize transportation distances by packing and shipping products directly from India and China to our customers – and thereby avoiding passage through Europe.

However, as a project-oriented company, 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 suppliers' transportation preferences towards the method with the lowest possible environmental impact.

ENVIRONMENTAL POLICY

We want to reduce our environmental footprint every year. We strive to integrate environmental responsibility into all our activities and, to the largest possible extent, to contribute reducing our carbon footprint throughout the entire supply chain. We want to minimize electricity consumption in our own locations and we encourage employees to use resources sustainably and to create a climate-conscious working environment.

To limit the negative environmental impacts of pharmaceutical manufacturing and ensure constant improvements, we keep manufacturers' social and environmental responsibility top of mind at all times. This is particularly

addressed during periodical GMP audits, but we also realize that there are limitations to our ability to influence manufacturers' environmental policies. We are, however, planning to intensify monitoring of and requirements to manufacturers going forward.

PROGRESS

Realizing that we have limited influence on customers' transportation preferences, and thereby the negative impact this may have on the environment, we have chosen to focus our efforts on where we can directly make a positive contribution.

Our logistics hub in Kandla account for 67% of the Missionpharma Group's total energy consumption. In Q4 2018, Missionpharma Kandla installed a 100 kW solar power system, which has resulted in a reduction in CO₂ emissions of 150 tons in FY 2019/20. In line with original expansion plans, we will be installing additionally 100 kW green power in Q2 2020, which brings our total solar power capacity up to 200 kW generating an expected reduction of CO₂ emissions of 250 tons per year.

Along with the solar power installations, we have installed 10 new air conditioners to maintain all warehouses under temperature control and provide better work environment for our employees as well as contract labour.

With the increased capacity of 200 kW solar power we expect to generate enough power to cover close to 40% of our total electricity needs in Kandla, including the power requirements for the 10 new air conditioners.

13 CLIMATE ACTION



RESULTS IN 2019/20

- Reduction in CO₂ emissions in FY 19/20: 150 tons
- Transitioning to green energy in the Danish head-quarters, leading to our electricity consumption being covered by renewable energy from offshore wind farms
- Decrease in destruction of expired pharmaceuticals by 36% globally (from 9,929 kg to 6,326 kg)

AMBITIONS AND TARGETS

- Expansion of solar power system in Kandla to 200 kW in FY 2020/21 providing and a 40% coverage of total power requirements
- Total reduction in annual CO₂ emissions in Kandla of 250 tons in FY 2020/21
- Continued focus on implementing scheduled environmental investment plans, incl. increased efficiency in utilization of solar power, water conservation and harvesting as well as evaluating and defining efforts within recycling of packing material
- Continued focus on influencing customers' transportation preferences towards the method with the lowest possible environmental impact
- Strengthen our control of and requirements to manufacturers' environmental responsibilities



ENVIRONMENT

Examples of impact and contribution in FY 2019/20



150 TONS

REDUCTION IN CO₂
EMISSIONS IN KANDLA

Our investment in a 100 kW solar panel system in Missionpharma Kandla has resulted in a reduction in CO₂ emissions of 150 tons and a generation more than of 220,000 kWh green energy in FY 2019/20.

With the ongoing expansion of solar power capacity to 200 kW solar power, we expect to generate enough power to cover close to 40% of our total electricity needs in Kandla.



DONATION

TO SUPPORT ELIMINATION OF PLASTIC
POLLUTION IN OUR WATERWAYS

Instead of dispatching the traditional Christmas gifts to our clients, Missionpharma chose this year to donate the equivalent amount to charity.

Plastic Oceans is a non-profit environmental organisation working on direct action to eliminate plastic pollution in our waterways on a global scale.

Plastic Oceans engages with school and community education, workshops, shoreline clean-ups and supports local processing applications of waste plastic. Plastic Ocean's cause directly supports the Sustainable Development Goals 12, 13, 14, 15 and 17.

We are very happy to be able to contribute to this important cause.

TRANSPORTATION VOLUMES FOR THE PERIOD 1/4-2019 - 31/3-2020:

27,500 m³



SEAFREIGHT

123 tons



AIRFREIGHT

12,250 m³



INLAND TRANSPORTATION



ENVIRONMENT

Examples of impact and contribution in FY 2019/20

36%

DECREASE IN GLOBAL DESTRUCTION OF EXPIRED PHARMACEUTICALS

Expired or damaged medicines constitute the majority of hazardous waste generated by Missionpharma. Strict inventory management procedures limit quantities sent for destruction. In 2019/20 our level of destructed pharmaceuticals decreased by 36%.



RECYCLING

WATER RECYCLING AND RAIN WATER HARVESTING

In Missionpharma Kandla, we have initiated the first phase of our water recycling and rain water harvesting project, where we recycle the water used for cleaning of solar panels and waste water from the water purification system for irrigation and cleaning use. We intend to store the rain water and use it over a period of time to benefit our green surroundings.

In addition, Missionpharma Logistics has donated 500,000 plants to the Kandla Special Economic Zone.

FSC CERTIFIED

SHIPPER CARTONS

With an annual consumption of up to 150,000 shipper cartons in Lyngø alone, it makes a difference to use recyclable packaging material.

FSC certification is considered the highest standard designation for wood harvested from forests that are responsibly managed, socially beneficial, environmentally conscious, and economically viable.

All shipper cartons used in Lyngø are FSC certified and made from 100% recyclable and biodegradable material. They are of very high quality, strength and durability and are proven to be re-used by the customers for various purposes at the final destination, which extends the lifetime of the packing material.

In Kandla we segregate scrap cartons, and use them for recycling to form pulp. The pulp is utilised to produce cardboard separator sheets, carton corners and protective packing material, which are widely used in connection with kit packing. Our pallets are reusable and made of biodegradable wood.





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 and other business partners.

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

All employees and local representatives 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

Missionpharma has 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.

Our compliance policies cover a number of areas, including anti-bribery and anti-corruption, facilitation payments, donations and gifts and conflict of interest. Policies are supported by a whistle-blower system, where employees and external stakeholders can report concerns in a secure and confidential way.

Our Compliance Committee meets every six weeks to discuss relevant sustainability and compliance issues and processes and decide upon actions.

PROGRESS

Our continued focus on strengthening our business and improving our profitability direct us to encourage a mindset towards transparency, compliance and reporting. We urge employees and partners to always raise their concerns about irregularities or improper actions and we will continue to communicate this globally to create a culture of full transparency.

The successful renewal of our certification through the globally recognised anti-bribery business association, TRACE International, demonstrates our continued commitment to comply with national and international anti-bribery laws and to demonstrate commercial transparency towards our business partners. We are in the process of enrolling digital compliance training tools in our organisation to improve training management, consistency and measurability.

8 DECENT WORK AND ECONOMIC GROWTH



RESULTS IN 2019/20

- Renewal of all contracts with our local representatives to include new anti-bribery and anti-corruption policy and whistle-blower procedure
- Compliance training conducted of local representatives in Missionpharma focus countries
- Three reports received through our whistle-blower system. Cases have been investigated and dealt with according to procedures and are closed. All cases are reported to our Group Compliance Officer and Missionpharma's Board
- Renewal of Missionpharma's certification through the anti-bribery business association, TRACE International

AMBITIONS AND TARGETS

- We will develop and strengthen our compliance procedures further in 2020/21
- We will provide online compliance training programmes for all commercial employees
- We will increase depth of our due diligence screening of suppliers and partners



ANTI-CORRUPTION

Examples of impact and contribution in FY 2019/20

ONLINE TRAINING

PLANNED EXPANSION OF TRAINING PLATFORM

With the aim of further mitigating risk of compliance violations, we are planning online compliance training for employees, and subsequently selected third parties, in order to strengthen their knowledge on key regulations within topics such as anti-bribery, anti-corruption and conflict of interest. By supplementing our existing compliance programme with additional training via e-learning, we increase awareness, improve training management, enhance consistency, expand reach and increase measurability of our training efforts.



WHISTLE-BLOWER

ENCOURAGING A TRANSPARENT CULTURE

Missionpharma's compliance policies are supported by a whistle-blower system and associated procedures, which allows employees and external stakeholders to report concerns in a secure and confidential way.

All cases reported through our whistle-blower system are immediately reviewed by our Compliance Committee and actions are initiated. All cases are reported to our Group Compliance Officer and Missionpharma's Board.

Our whistle-blower procedure is a part of the mandatory training and contracts for all Missionpharma employees globally in addition to local representatives and key external partners. As we aim at creating a culture of full transparency, we urge employees and partners to always raise their concerns about irregularities or improper actions.

AGENT SEMINAR

COMPLIANCE TRAINING FOR LOCAL REPRESENTATIVES

In Q4 2019 we invited our French-speaking local representatives for a three-day seminar in Missionpharma Lyngø. Emphasis was kept on strengthening the local anchoring of our compliance policies and processes to ensure a consistently high level of compliance in our global activities.



COVID-19 MEASURES

The COVID-19 pandemic is affecting the entire world and we are all facing an unpredictable crisis situation. As a global supplier of life-saving drugs, we play an important role in securing health supplies during the crisis.

MOBILIZING GROUP EFFORTS

We are continuously focusing on mitigating the impact of the COVID-19 pandemic and the associated risks on our operations. This is particularly important in areas where disruption in the supply chain may cause delays or even cancellations, which may prevent life-saving healthcare products from reaching our customers.

In every region where we operate, we are working together to ensure the continuity of our operations. The CFAO Group has defined three priorities from the very beginning of the pandemic:

1. To preserve the health and safety of our staff throughout the duration of the health crisis
2. To make business continuity plans to ensure safe arrival of humanitarian supplies
3. To support the most exposed communities and health services by playing an active part in sourcing and supplying Personal Protection Equipment from certified suppliers to meet the current and future needs of hospitals and clinics.



HUMAN RIGHTS

Ensuring a consistent supply of safe medicine during the COVID-19 crisis is a challenging task. While doing so, we implement as many measures as possible to address the pandemic without discrimination or violation of human rights.

During the past months, we have seen considerable manufacturing, distribution and trade restrictions, and even bans, which is threatening our ability to honour our commitments for consistent supply of healthcare products. Missionpharma is taking several precautionary measure to secure our supply chains by attending a proactive risk evaluation of every single order. We do so by closely monitoring the manufacturing and logistics situation on a daily basis and by incorporating coordinated efforts globally to ensure continuation of operations to the widest possible extent. In addition, we ensure a consistently high information level towards our customers about issues which may influence commitments.

When the virus started peaking we quickly framed emergency teams to respond to the increasing request for corona-related products and to ensure optimal coordination of efforts. A high level of information sharing within our organisation is secured by introducing regular global conference meetings and daily status information e-mails.



We are continuously focusing on mitigating the impact of the COVID-19 pandemic and the associated risks on our operations. Missionpharma uses the Ten Principles as our guide to our respond to the crisis.

COVID-19 MEASURES



LABOUR

While still operating during COVID-19 crisis Missionpharma has taken a number of measures to protect our employees by ensuring a safe working environment to limit exposure to the virus in all our locations.

Specifically, we have put in place personal protective measures in all locations (masks and hand sanitizers), implemented environmental measures (frequent cleaning of surfaces), prepared guidelines for social distancing at the workplace and made appropriate work arrangements (working from home to the maximum extent possible, introducing work shifts, accelerate holidays etc.)

Missionpharma observes and follows the restrictions and guidance issued by the relevant local authorities. We are continuously raising awareness on precautionary and preventive measures to our employees by sharing information issued by the WHO and local authorities, and to generally maintain a high information and instruction level on hygiene practices.

Our employees in all locations are effected by the situation, and Missionpharma is committed to ensuring a stable continuation of income and benefits despite flexible working arrangements. We know that our employees do their best to work effectively also from home, and we respect that many of our employees also must care for their children during work hours.

We expect the corona situation to drive further digitalisation with our customers, why we are intensifying work on our IT strategy going forward.



ENVIRONMENT

Without a doubt, the global travel activity will be highly reduced in the coming period as an effect of the pandemic. This is also the case in Missionpharma. On a positive note, this will reduce the negative impact travels cause on the environment, but it will also complicate the important benefits of meeting with customers and partners in person.

In order to secure the continued important close dialogue, coordination with and support to our customers and partners, Missionpharma is encouraging telecommunication and virtual meetings to the widest possible extent. Virtual communication is an indispensable tool to diminish the downsides of the physical distances when working from home. We are also assessing if practices can be encouraged long-term to reduce carbon emissions also after returning to usual working routines.

Low airfreight capacity provides limited possibilities for air shipments, why we encourage the more environmentally effective sea shipment as mode of transportation.



ANTI-CORRUPTION

Usual procurement patterns may be disrupted during the crisis due to increased level of emergency procurement and the consequent risk of lack of transparency in procurement processes. An increasing tendency to skip established procurement practices is foreseen in crisis situations. Despite this risk we do our utmost to reduce unnecessary bureaucracy in our organisation, while still ensuring a consistent product quality in our supplies.

We are actively monitoring donor flows and investments as well as local tendencies to ensure that we are contributing to the maximum possible extent within our area of expertise. We experience unusual price fluctuations on raw materials and finished products, highly reduced price validities and prolonged delivery times on particularly Personal Protection Equipment. This reduces transparency and increases our vulnerability and ability to respond to customer requirements. Therefore, we evaluate the situation on a daily basis and take precautionary measures to the widest extent possible.



PERFORMANCE AND TARGETS

AREA	PERFORMANCE 2018/19	TARGET 2019/20	PERFORMANCE 2019/20	TARGET 2020/21
HUMAN RIGHTS				
GMP audits of manufacturers	50-60	Minimum 50-60 <i>(excl. effect of COVID-19 travel restrictions)</i>	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 travel restrictions)</i>
Assess manufacturers' use of child labour	Observed but not a formal requirement during GMP audits	Integrated part of every GMP audit	Integrated part of every GMP audit. Escalation procedure defined	Active review of GMP audit information
LABOUR				
Employee satisfaction	98% of Danish employees believe that "Missionpharma is a great place to work"	Condensed employee survey launched globally. Target is that minimum 90% of all global employees believe that "Missionpharma is a great place to work"	74% globally weighted	85% globally weighted
Gender distribution among managers	18% female • 82% male	We strive towards a higher degree of gender diversity within our management teams	24% female • 76% male	We strive towards a higher degree of gender diversity within our management teams
Annual personal development talks coverage	100% (DK location). Global % not yet measured	Minimum 80% (global target)	84%	95%
ENVIRONMENT				
Destruction of expired pharmaceuticals	9,900 kg	Continuous focus on reducing destruction levels. Target to be decided based on changes in corporate stock-keeping strategies	6,314 kg (36% reduction)	Continuous focus on reducing destruction levels. Target to be decided based on changes in corporate stock-keeping strategies
Electricity consumption	1,072,000 kWh	930,000 kWh	1,136,000 kWh <i>(electricity consumption increased due to investment in air conditioners in Kandla warehouse)</i>	930,000 kWh
Solar power	100 kW	200 kW	200 kW	200 kW optimised
Recycling of packing material	Initiated packing material recycling efforts	Measure impact with improvement target	A range of recycling projects initiated	Measure impact with improvement target
ANTI-CORRUPTION				
Training in new compliance policies	100% of Missionpharma employees trained	Compliance training completed for local representatives and suppliers	Most key local representatives trained	All local representatives trained
Tailored case-based training for exposed groups	Country Manager training in progress	Category Managers and local representatives	Selected local representatives received case-based compliance training	Country Managers, Category Managers and local representatives
Digital compliance training tools	Currently not used	Incorporated towards relevant internal and external stakeholders	Training plan for managers and Segment Heads in process	Incorporated towards relevant internal and external stakeholders
Due diligence screening of third parties	Systems and procedures incorporated in SOPs	Increased due diligence screening of suppliers	New third party vetting and screening database introduced at Group level	Increased due diligence screening of suppliers according to Group policies



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