Sustainability Report 2021

octapharma

Our passion drives us to provide new health solutions advancing human life.

Octapharma Sustainability Report 2021

About the Sustainability Report

This is the Octapharma Group Sustainability Report relating to the financial year 2021. The Report covers Octapharma Nordic AB (Corporate ID No. 556614-9794) and all entities included in the consolidated accounts for the same period. These entities are specified in the Notes of the consolidated accounts. In accordance with the provisions of the Swedish Annual Accounts Act (Chapter 6, paragraph 11), the Report has been prepared separately from the Annual Report. This is the fifth Octapharma Group Sustainability Report and there have been no significant changes in the principles applied to its reporting and scope. In signing the annual financial statements and consolidated accounts of the Company, the Board of Directors has also approved the Sustainability Report.

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Serving patients in

118

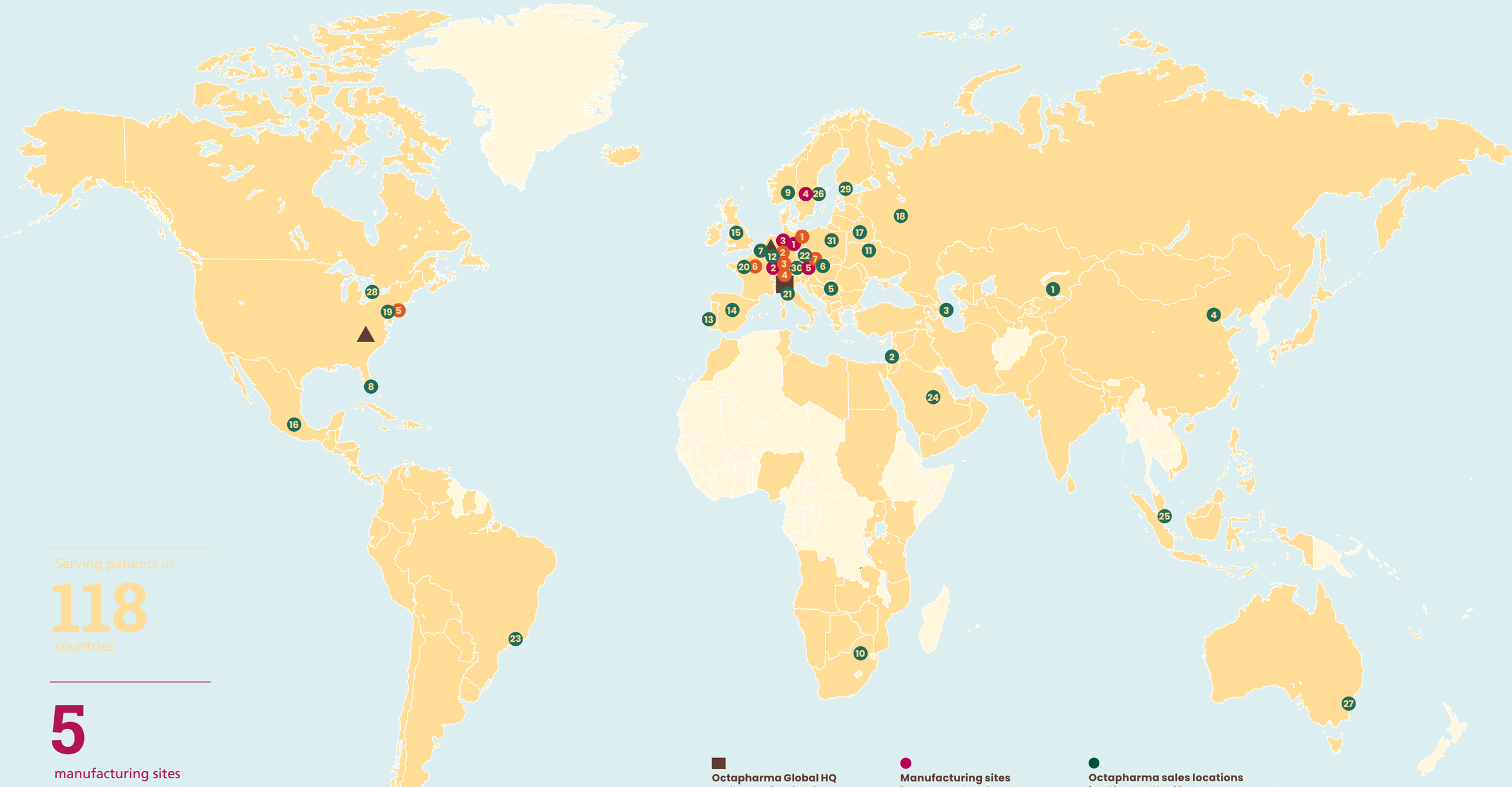
countries

5

manufacturing sites

7

preclinical and clinical R&D sites



Octapharma Global HQ
Lachen, Switzerland

Plasma collection sites
1. Octapharma Plasma, Inc., Charlotte, USA
2. Octapharma Plasma GmbH, Langenfeld, Germany

Manufacturing sites
1. Dessau-Rosslau, Germany
2. Lingolsheim, France
3. Springe, Germany
4. Stockholm, Sweden
5. Vienna, Austria

R&D sites
1. Berlin, Germany
2. Frankfurt, Germany
3. Heidelberg, Germany
4. Lachen, Switzerland
5. Paramus, USA
6. Paris, France
7. Vienna, Austria

Octapharma sales locations
1. Almaty, Kazakhstan
2. Amman, Jordan
3. Baku, Azerbaijan
4. Beijing, China
5. Belgrade, Serbia
6. Bratislava, Slovakia
7. Brussels, Belgium
8. Miami, USA
9. Jessheim, Norway
10. Johannesburg, South Africa
11. Kiev, Ukraine
12. Langenfeld, Germany
13. Lisbon, Portugal
14. Madrid, Spain
15. Manchester, UK
16. Mexico City, Mexico
17. Minsk, Belarus
18. Moscow, Russia
19. Paramus, USA
20. Paris, France
21. Pisa, Italy
22. Prague, Czech Republic
23. Rio de Janeiro, Brazil
24. Riyadh, Saudi Arabia
25. Singapore
26. Stockholm, Sweden
27. Sydney, Australia
28. Toronto, Canada
29. Vantaa, Finland
30. Vienna, Austria
31. Warsaw, Poland

Countries where patients are treated with our products

Who we are

Headquartered in Lachen, Switzerland, Octapharma is one of the largest human protein manufacturers in the world, developing and producing human proteins from human plasma and human cell lines.

Octapharma employs around 10,000 people worldwide to support the treatment of patients in 118 countries with products across three therapeutic areas:

- **Haematology** (coagulation disorders): In people with bleeding disorders, the blood clotting process doesn't work properly. In haemophilia A, haemophilia B and Von Willebrand disease (VWD), coagulation factor VIII, coagulation factor IX and Von Willebrand factor (VWF), respectively, are missing or don't work as they should.

- **Immunotherapy** (immune disorders): In inherited or acquired deficiencies of the immune system, missing or faulty antibody production can lead to increased susceptibility to infections. In various autoimmune diseases, the patient's own immune system mistakenly attacks part of the patient's body.

- **Critical care** (bleeding management and functional volume replacement): Patients in intensive care, emergency care or during surgical procedures often require immediate medical attention to prevent shock and to quickly restore the body's natural balance - such as to restore normal blood volume and clotting (coagulation) function.

The Octapharma Vision

"Our passion drives us to provide new health solutions advancing human life."

Octapharma's corporate vision drives all company decisions and underpins everything we do at work, each and every day. Our vision describes the overarching idea of Octapharma and serves as the company's navigational reference point.

Our Mission

"For the safe and optimal use of human proteins."

Our Values

Octapharma has five core values which constitute the principles and beliefs that guide our behaviour, decisions and actions at work:

- Ownership
- Integrity
- Leadership
- Sustainability
- Entrepreneurship

Our values articulate the philosophy by which each of us lives and acts every day, and they also form the fundamental basis for our performance management and evaluation process at Octapharma.

Social and employee-related information

Octapharma has a zero-tolerance approach to discrimination, regardless of reason, and works to achieve a culture characterised by equality and diversity. This approach is clearly expressed in the company's Code of Conduct as well as in our Corporate Sustainability Policy. Octapharma recognises that society still has a long way to go in achieving gender equality, diversity and the abolition of discrimination in all its forms, and realises that the company is not immune to these issues. Octapharma therefore works proactively to promote equality and diversity while defending against all forms of discrimination.

Employees by gender	2020		2021	
	Men	Women	Men	Women
Board of Directors Number of men and women on the parent company Board of Directors	11	0	9	0
Managers Total number of managers in the Group by gender (excluding Group executive management)	526	430	695	681
Employees Total number of employees in the Group by gender (excluding Board of Directors, Group executive management and other managers)	3,215	4,885	3,371	5,221
Total workforce	**3,752**	**5,315**	**4,075**	**5,902**

Employees by age group	2020		2021	
	No.employees	% of total	No.employees	% of total
Under 30 years old	2,582	28%	3,018	30%
Between 30 and 50 years old	4,896	54%	5,261	53%
Over 50 years old	1,589	18%	1,698	17%
Total workforce	**9,067**		**9,977**	

Plasma collection and manufacturing

Octapharma collects plasma and manufactures it into lifesaving plasma-derived therapies. Each therapy we create is controlled, fractionated, purified, virus inactivated and inspected, before being used to change and save the lives of patients worldwide.

Plasma-based therapies treat rare, genetic and chronic diseases such as haemophilia and immune deficiency disorders. They are also used to treat trauma and burn victims and for critical care procedures, including major surgeries, cancer treatments and organ transplants.

Plasma collection methods

Source plasma is collected from healthy, voluntary donors through a process called plasmapheresis. Donors may be compensated for their time and efforts, depending on country regulations.

Octapharma operates more than 180 plasma donation centres in Germany and the US. Recovered plasma is collected through whole blood donations. The plasma is then separated from its cellular components. Octapharma collaborates with a variety of blood banks and not-for-profit organisations (e.g., the Red Cross) for the additional supply of recovered plasma.

Manufacturing

Using the latest technology and a strict quality control process, Octapharma's production plants carry out plasma fractionation and purification, undertake pharmaceutical production, packaging and storage, and organise distribution. Production of plasma-derived products takes place at facilities in Austria, France, Germany and Sweden, all of which have the required licences to manufacture pharmaceuticals.

Distribution channels

Octapharma's medicines are sold worldwide. Our customer base is diversified and does not depend on one single customer group or national tender. Our main customer groups include hospitals (public and private), pharmacies and national public bodies, and we also participate in tenders for self-sufficiency projects as well as both national and specific hospital-based tenders for certain products.

Corporate quality assurance

The Octapharma Corporate Quality Assurance team ensures that the Pharmaceutical Quality System implemented at Octapharma is maintained and integrated into all operations, to ensure Octapharma provides the best products and service to our patients.

Corporate Quality Manual

The Corporate Quality Manual provides guidance on the Pharmaceutical Quality System, and gives an overview of Octapharma's operations, different business areas and interactions with different users including customers, employees, consultants, health authorities and suppliers. The Pharmaceutical Quality System itself consists of several system elements and is an interpretation of the current regulations, which are linked and integrated into all Octapharma operations to ensure the provision of excellent products and service to our patients worldwide.

Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) are integral parts of the Pharmaceutical Quality System and are intended to ensure that medicinal products are manufactured, tested, released and distributed in such a way that they comply with both in-house standards and regulatory requirements.

Good practice in pharmaceutical regulations and quality guidelines (together known as GxP) is applied as pragmatically and strictly as necessary, and

followed according to regulations within other areas such as the design and development phase – including clinical studies of new medicinal products and pharmacovigilance (the science and activities relating to the detection, assessment, understanding and prevention of adverse effects or any other medicine-related problem).

To ensure that our patients receive the highest quality products, Octapharma places great emphasis on achieving high quality at every step of the development and production process.

Corporate Quality Plasma

The Corporate Quality Plasma (CQP) department ensures all relevant quality parameters are consistently met for plasma, from donation through to preparation for production. CQP ensures the accurate traceability of each plasma unit, including "Look-Back" and "Post Donation Information" and any deviated processes which may have had an influence on the quality of a particular plasma unit. CQP evaluates our plasma suppliers to ensure compliance to regulations and quality standards.

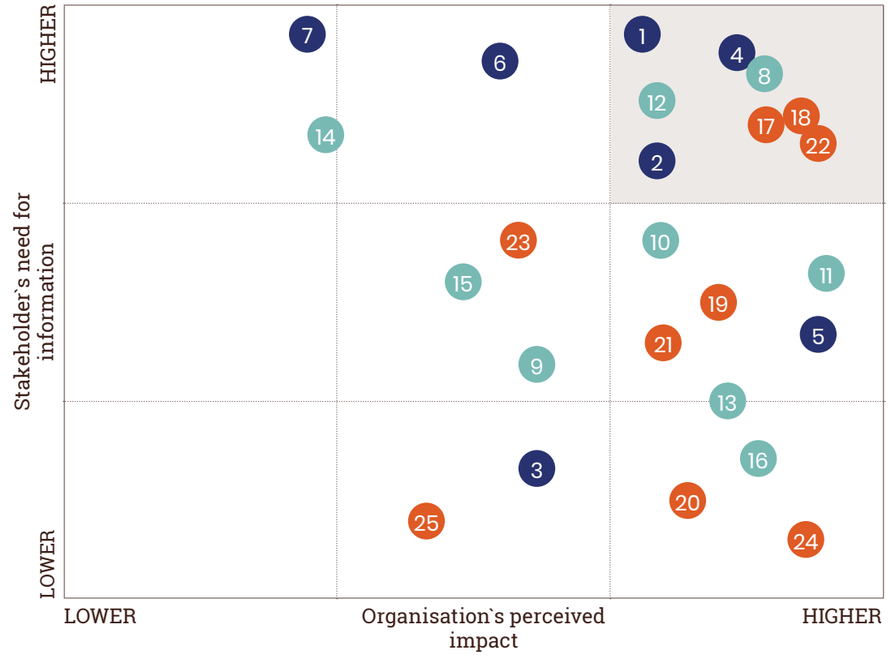
Corporate Quality Control

The Corporate Quality Control (CQC) team uses state-of-the-art test systems and processes to verify the safety, efficacy and quality of every single product batch up to the moment they leave our manufacturing sites. Such processes include in-process tests, final product testing, microbiology tests, stability tests, and other standardised test methods. CQC ensures the use of only high-quality raw materials which are specified according to relevant international pharmacopeia.

Octapharma has no major suppliers in countries where there is likely to be a risk of unfair working conditions or human rights violations.

Materiality analysis

In preparation for our Sustainability Report, Octapharma's management carried out an analysis of the most material sustainability aspects with regard to the company's operations, including those issues where the company is deemed to have a significant impact. The analysis covered both sustainability risks and opportunities in our operations and value chain, mainly concerning the environment, social and employee matters, respect for human rights and anti-corruption. The results of the materiality analysis can be seen from the topics and Key Performance Indicators (KPIs) presented in this report.



1. Energy consumption and efficiency
2. Water consumption and wastewater treatment
3. Waste generation and handling, especially hazardous waste
4. Greenhouse gas emission including refrigerants
5. Transports
6. Environmental management systems
7. Active pharmaceutical ingredients
8. Employee diverstiy and equality – non-discrimination
9. Talent aquisition and retention strategies
10. Safe workplaces
11. Employee training and development
12. Donor health and safety (human rights)
13. Product quality and safety
14. Investments, donations and sponsorship of local communities
15. Initiatives to improve public health and access to healthcare
16. Educational and research partnerships
17. Anti-corruption policy and communication
18. Whistleblower cases and actions taken
19. Permits and licenses
20. Tax policy and payments
21. Patents and trademarks
22. Corporate values and code of conduct
23. Responsible procurement
24. Ethical considerations in marketing and labeling of products
25. Public policy and lobbying

Governance and management of sustainability

The Board of Directors has overall responsibility for the management and execution of the Group's decisions and strategies, which also includes issues related to sustainable business operations. Environmental matters at our production sites are the responsibility of local environmental and operations managers, as is quality control. Human Resources (HR) is responsible for all people-related issues, and Group Compliance together with local compliance officers are responsible for ensuring compliance with all laws and permits at all times.

Governing norms, policies and guidelines

Octapharma's Corporate Sustainability Policy outlines our overall commitments and viewpoints with regards to sustainability. The policy recognises that we are committed to treating resources with care and to minimise negative environmental impacts that could result from our processes and activities. Octapharma is committed to providing a safe and healthy working environment, and strives to reduce workplace accidents and sickness, as well as to promote and further develop the skills of our employees.

Product responsibility and quality are indispensable prerequisites of our business and Octapharma is committed to complying with all regulatory requirements and internationally established best practices. Octapharma is committed to supporting and respecting human rights within our sphere of influence.

The Corporate Sustainability Policy is reinforced by local policies and instructions at our research facilities, manufacturing sites and offices.

In order to communicate our corporate values and norms, and to support all people working for Octapharma in making the right decisions, the Board of Directors has also adopted a company-wide Code of Conduct, based on our core values.

The Code of Conduct expresses the Octapharma Group's expectations as an employer and sets professional standards to be adhered to throughout the Group. It covers several aspects of the business such as professional integrity, respect for competition law, our zero-tolerance approach to corruption, how to handle conflicts of interest, respect for others and the promotion of diversity and equality of opportunity, to name a few. All employees, and everyone who acts on behalf of Octapharma, must comply with the Code of Conduct.

Online compliance trainings have been developed to help explain the

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importance of integrity in our activities and cover the key messages of the Code of Conduct. All relevant employees are expected to complete the training.

These online courses are split into three different areas: Code of Conduct, Corruption Prevention and Antitrust Law. Depending on the individual's function and responsibilities, the Corporate Compliance Office selects the relevant training required.

To encourage our employees to speak out on suspected non-compliant behaviour, misconduct and violations of the Code of Conduct, Octapharma has implemented several communication channels to report such incidents. Among other things, we have implemented an internal whistleblowing system (the Integrity Reporting System) permitting everybody to report such incidents in most countries anonymously (unless restricted by law). Reported matters are then forwarded to Corporate Compliance which will – on a case-by-case basis – involve HR or internal audit for further investigation.

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Environmental performance 2021

Octapharma's annual sustainability report provides details about the company's environmental strategy and performance. The scope is the same as in previous years and covers packaging, logistics centres, research and production facilities in Europe. Non-European entities are not covered by this report.

The Group continues to focus on environmental areas that have the greatest global impact: global warming, energy use and clean water scarcity. In addition, efforts have been made to further reduce contaminants in waste streams emerging from manufacture.

Improvement work for this year has mainly focused on the following topics:
- Reducing greenhouse gas (GHG) emissions, mainly through refrigerant management and change to non-fossil fuel where applicable.
- Energy savings through systems improvements and extended heat recovery.
- Reducing utilities consumption by optimizing processes.
- Reducing the release of adverse substances in effluents.

These initiatives have delivered a slight increase in total energy use but a significant reduction in GHG emissions. Total consumption of water has decreased slightly.

The environmental key figures, KPIs, in absolute numbers and relative to plasma use are given in this report.

Group Environmental Key Performance Indicators (KPIs)

Environmental KPIs	YEAR		
	2019	**2020**	**2021**
Energy use (MWh/tonne plasma)	30.97	33.45	34.28
Fossil-free electrical energy (% of electrical energy)	98	99	99
Emissions (tonne CO2e/tonne plasma)	4.14	4.26	3.59
Municipal water use (kCbm/tonne plasma)	0.20	0.21	0.19
Wastewater (kCbm/tonne plasma)	0.17	0.18	0.16

Conclusion

217,569 MWh of energy was used in the reporting entities of the Group. This is an increase compared to the previous year. However, total CO2e emission was significantly reduced, notably from total CO2e emission related to Refrigerant leakages which fell 50% compared to 2020. GHG emission was reduced by a change to Biodiesel and the purchase of fossil-free energy where possible.

During the year, we invested in improving energy efficiency, for example by exchanging fluorescent lighting with LED lighting. In addition, we have worked to electrify internal transport.

Several initiatives to improve municipal water use were initiated during the year. Examples include changes in cleaning processes and avoiding the use of municipal water for cooling purposes. The initiative has reduced municipal water usage by approximately 10%.

Wastewater volumes are slightly lower than in previous years. Significant efforts have been conducted during the year to reduce adverse substances in effluents and to reduce total waste flows through process optimization.


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