



## ESG Questionnaire – February 2021

(This document has not been translated to Swedish)

### General Industry

**Please list the industry's three biggest sustainability-related challenges**

Answer:

1. Supporting the SDG 3 to ensure more patients get access to our products/therapies
2. Secure sustainability in supply chain
3. Always ensure high standard connected to business ethics

These are Orexo's biggest sustainability challenges/opportunities.

Generally sustainability challenges in the pharma industry are environment aspects in the production of medicines, work with health and prevention, access to medicines worldwide, good working conditions for employees, successful medical innovations and strict ethical rules for the industry.

**How does the firm compare to industry peers regarding sustainability initiatives? Above, on par or below?**

Answer: In the most recent ESG rating done by ISS, we are rated as Prime with a C+. Industry Group: Pharmaceuticals & Biotechnology, where Industry Leaders are AstraZeneca PLC, GlaxoSmithKline plc, Sanofi have a rating B (no company has higher than B). We are considered to have a High Transparency Level (60-80%) and a Decile Rank 1, i.e. high relative performance.

**Is the company a signatory of the UN Global Compact or Science Based Targets, report to the CDP or engage in any other relevant sustainability initiatives?**

Answer: We are today at the participant level and yearly send in our CoP and working with continuous improvement. We have engaged ourselves in a program run by UN GC called the SDG Ambition Accelerator. The program will run during the first half of 2021 and will help us identify better, clearer and more concrete goals connected to the SDGs.

### Environment

**Please list, if any, the firm's climate related opportunities**

Answer: Since Orexo do outsource all production, opportunities lies primarily with putting requirements on contract manufacturers and other supplier. Opportunities within our own business are reduction in travel due to better digitalization and also energy reduction within our own buildings by strengthening the dialog with our landlord (however all energy used are "green energy")

**Please list the firm's three primary risks related to climate change**

Answer:



1. Climate impact connected to production and product transport (outsourced)
2. Climate impact related to travel since primary is in the US
3. Energy consumption locally connected to R&D activities and facilities

**Does the firm anticipate any climate related investments?**

Answer: Not today

**Does the firm rely on any scarce resources for its operations? If so, what efforts are made to mitigate the risk of those resources becoming even more scarce in the future, e.g. recycling, reusing, substitutes or improved resource efficiency?**

Answer: No scarce resource has been identified

**Transition-related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon neutral society? Is there any risk of the firm's offer being negatively affected? If yes, is the firm well positioned to handle that risk?**

Answer: No risks related to the transition to a carbon neutral society has been identified. We do not anticipate that this would have negative impact based on the nature of our products.

**Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact. (If applicable, please list the corresponding most relevant UN Sustainable Development Goals<sup>1</sup>) How are they tracked and communicated?**

Answer: We work to reduce environmental impact by evaluating suppliers of critical materials and contract manufacturer from all sustainability aspects. We also work to locally reduce the amount of waste going to energy recovery in favor to material recycling (SDG 12). Further we work to reduce the amount of travel by improving our digitalization and evaluating the necessity of all travel.

## **Social**

**Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?**

Answer: We track all accidents and incidents. We have policies and standard operating procedures connected to health and safety. We risk assess all our activities and where necessary we write SOPs on how to carry out specific tasks e.g. activities within R&D involving active pharmaceutical ingredients and other chemical products.

The company has no history of severe accidents resulting in illnesses and injuries.

**Does the company conduct any other community engagement activities aside from those directly connected to the business?**

---

<sup>1</sup> See UN Sustainable Development Goals on the last page



Answer: We have during the Covid-19 pandemic donated personal protective equipment to an elderly care center in Uppsala, Sweden, and it also occur we are donating equipment to Uppsala University.

**Circular economy: How are purchases and waste managed? Please list the firm's demands on its suppliers, if applicable**

Answer: Orexo has not yet put circular economy requirements on purchases. We do assess critical suppliers from an environmental standpoint. We work actively to reduce the amount of waste going to energy recovery in favor for material recycling. We also both purchase second hand office equipment and sell/give away R&D equipment for reuse as far as possible.

**Are there any goals, policies, or codes of conduct applicable to the firm's suppliers? How often does the firm conduct audits of its suppliers?**

Answer: Orexo has a supplier code of conduct. The code sets out ethical business expectations on our suppliers and business partners. The code put requirements on ethics, labor, health & safety and environment. Before deciding on a supplier an assessment is done and where necessary an audit is conducted. The information collected for assessment is review regularly. No specific sustainability audits take place today, the suppliers are regularly audited from a quality standpoint.

**Governance**

**Do all staff members receive continuing education on anti-corruption? Is there an external whistle blower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?**

Answer: Every employee needs to read and sign that they have understood our business ethics and compliance code. Our sales staff in the US regularly participate in specific ethic training.

External whistleblower function is in place for the US organization and an external whistle blower function will be introduced in Sweden in Q1 2021. Two years ago an external audit took place regarding how well we follow and conduct business in relation to our policies. No deviations were noted.

On July 14, 2020 Orexo US received a subpoena to provide US Authorities with certain information with regards to ZUBSOLV® and other buprenorphine products. Orexo has no knowledge of the background to the requests. Orexo has engaged a US counsel to advice the company and prepare for any further requests or actions from the authorities. No further information or requests have been received from the authorities after July 14th 2020.



**Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen.**

Answer: The tax residence is Sweden where the company was founded in 1995 and where the head quarter is still located. Orexo's subsidiary in the US, Orexo US Inc, also pay tax in the US.

**Are there independent members on the Board of Directors?**

Answer: 75% are independent in relation to the major shareholders.

**Please state if and to what extent, the company has transactions with related parties.**

Answer: In 2020 there were no significant related parties transactions reported.

**Is the remuneration of the CEO and other members of the management team in line with industry peers? Which KPIs dictate the remuneration (particularly if sustainability and gender diversity are included)**

Answer: Yes, the company conducted an independent review of the management remuneration in the autumn of 2019 and the remuneration was in line with industry peers in the relevant countries. The company works with a balanced score card to review the performance of management and this dictates the remuneration of management. The balanced score card includes areas such as company compliance, employee engagement and satisfaction which also encompass equal opportunities in the company. The company also support UN Global Compact, where the company and management have defined performance targets in relation to UN Global Compact's ten principles for a sustainable global development. A failure to meet these targets will impact management remuneration negatively.

**Please indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team**

Answer: All FTEs: 50% women. Board of Directors: 38% women. Management team: 12% women.

**Is the Head of Sustainability a member of the management team? If not, who does that person report to?**

Answer: Orexo's Sustainability Manager reports to the Head of Quality & SHE.

**Please state whether the firm has the following policies or agreements in place:**

Answer:

Agreement	Agreement in place? (Yes/No)
Union agreement	No
Code of conduct	Yes
Diversity policy	Yes

Anticorruption policy

Yes (part of Business Ethics and Compliance Code)

## UN Sustainable Development Goals

