



ABACUS MEDICINE

Better Access · Better Healthcare

Sustainability report

2021

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Better Access. Better Healthcare

Our purpose and beliefs are simple. We believe that we improve global healthcare by providing people with better access to medicine.

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Focus Program: Community Engagement

In 2021, we introduced our first ever program revolving around humanitarian and donation-related efforts in the Abacus Medicine Group.

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The Abacus Medicine Group as a workplace

The people of the Abacus Medicine Group is the driver of our continuous growth and development. In the Abacus Medicine Group, we are innovative, dedicated and we care.

[→ Read more on page 13](#)



Focus Program: Transportation

In 2021, we focused on the most vital aspects of our transport operations in order to set targets for our future efforts.

[→ Read more on page 22](#)

Letter from the CEO and Chairman

Welcome to the first edition of the Abacus Medicine Group Sustainability Report. Sustainability is constantly evolving and in 2021, we decided to take another big step by introducing this report.

In the Abacus Medicine Group, we are innovative, dedicated and we care. We work hard every day to secure better access to medicine and thereby better healthcare for all. When we compete in the market, we improve availability and reduce prices of life-critical medicines, so they become more widely available. Our core parallel distribution business helps us achieve exactly that. And with our pharma service business, Abacus Medicine Pharma Services, and our Dutch pharmaceutical wholesaler, Pluripharma, we provide better access to pharmaceutical products for even more patients, doctors and pharmaceutical manufacturers.

2021 has been a challenging year in many aspects. Not least as we have continued to navigate the global COVID-19 pandemic, while securing a safe and healthy working environment for our employees and making sure to deliver medicines to patients without disruption. Despite this, we are delighted to see our sustainability efforts becoming increasingly more visible both internally, and now also externally. To us, sustainability is not just about reporting, but as with all we do, about dedication and care. With the publication of our Group Sustainability Report, our sustainability efforts are becoming more visible to our stakeholders and society.

Our Group Sustainability efforts are coordinated via our Sustainability Steering Committee to anchor all of our focus programs and initiatives with members of the management team.

We are aware of our impact on society and our stakeholders. Every day, we transport medicines around Europe, primarily by truck, and as we have grown over the years, the related CO₂ emissions have logically increased. Despite our asset-light business model, as we repack medicines on our facilities in Hungary and the Netherlands, we generate waste. We cannot eliminate these impacts on the environment, but we diligently work to minimise these. In 2021, we have improved our waste handling across many sites intending to sort and recycle as much waste as possible. We have also moved our headquarters to a new building with a new and improved energy and waste footprint.

In 2021, we delivered good results on our 8 focus programs. We are proud of our achievements in 2021, but we are also eager to continue our journey. In 2022, we will continue all focus programs from 2021 with a few minor changes. We will merge Waste and Overall Sourcing into one program focused on our production from start to finish. Furthermore, we will merge the two programs Community Engagement and Sustainable Initiatives & Corporate Guidelines. Finally, we will continue to build on our ESG reporting and aim to include more environmental data, including scope 2 emission numbers in 2022, where we also intend to establish future targets for our ESG impact.

Best regards,

Flemming Wagner
CEO and Co-founder

Niels Smedegaard
Chairman of the board



 In the Abacus Medicine Group, we are all proud to serve a purpose beyond ourselves by contributing to the health and well-being of others.

At a glance

The Abacus Medicine Group supplies prescription medicine to thousands of customers across the world. **We improve global healthcare by giving people better access to medicine.** Our core business is known as parallel distribution. We also operate as a medicine wholesaler and are growing within pharmaceutical services.



The parallel distribution industry has a true impact on society

82

mio. EUR

in total savings in Denmark alone.

17%

in average savings per product.

The Abacus Medicine Group is established among the leaders in our industry.

In 2021, **we delivered more than**

19,000,000

packs, vials and syringes of medicine.

We follow a successful multi-market strategy, and recorded sales in



33

countries around the world in 2021.

In order to pursue this multi-market strategy, we need **dedicated employees.**

In 2021, we surpassed



1,100

employees at year-end.

Employee Satisfaction

Score

4.0

out of 5

Number of

nationalities

38

Total **revenue** in 2021

941

mio. EUR

Business model

The Abacus Medicine Group provides better access to original medicine for hospitals, pharmacies, wholesalers, pharmaceutical companies and ultimately patients all over the world.

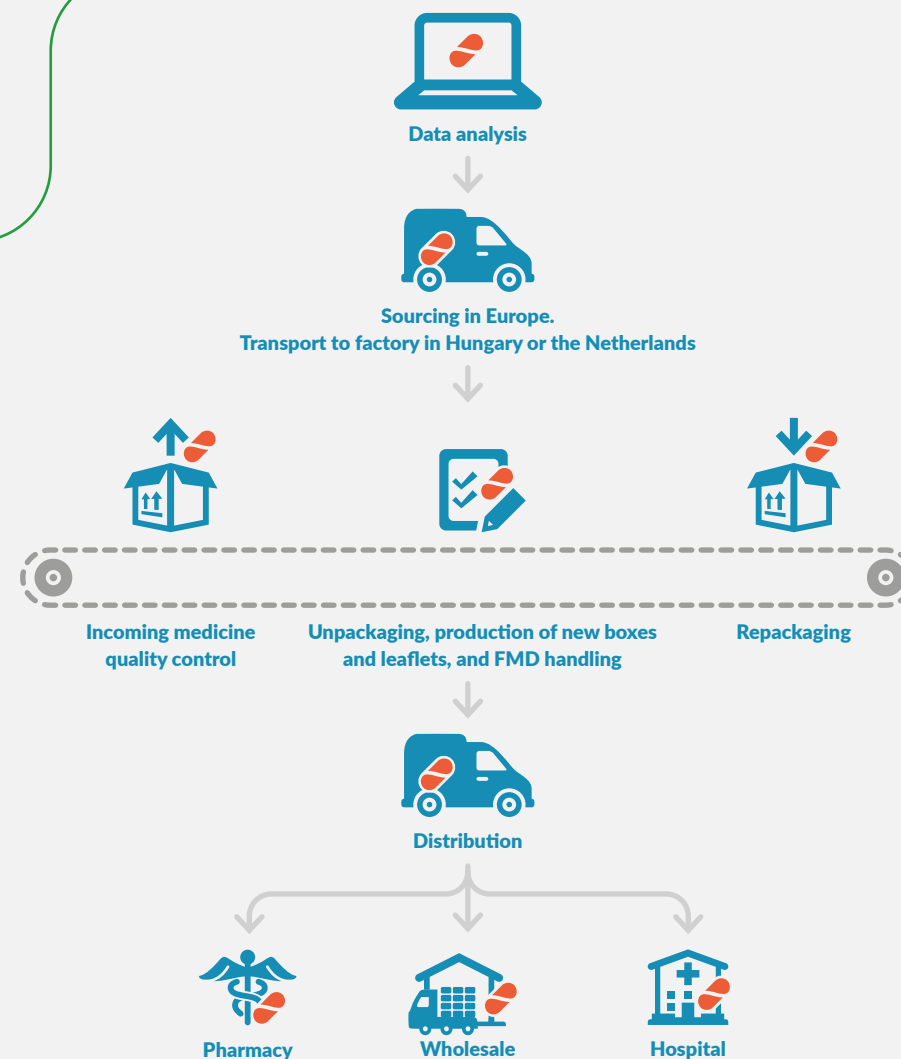
The Group operates as three brands: Abacus Medicine, Abacus Medicine Pharma Services and Pluripharm. Each brand has a distinct core capability that is supported by multiple, cross-unit competencies including logistics, trading data analytics and a strong, pan-European sourcing network.



Abacus Medicine

is firmly established among the market leaders within the European parallel distribution of medicines. Abacus Medicine creates competition in a market characterised by rising healthcare costs by offering better access to affordable medicine. This benefits both patients and public budgets. Abacus Medicine supplies to four main types of customers:

- Pharmacies
- Hospitals
- Pharmaceutical companies
- Pharmaceutical wholesalers

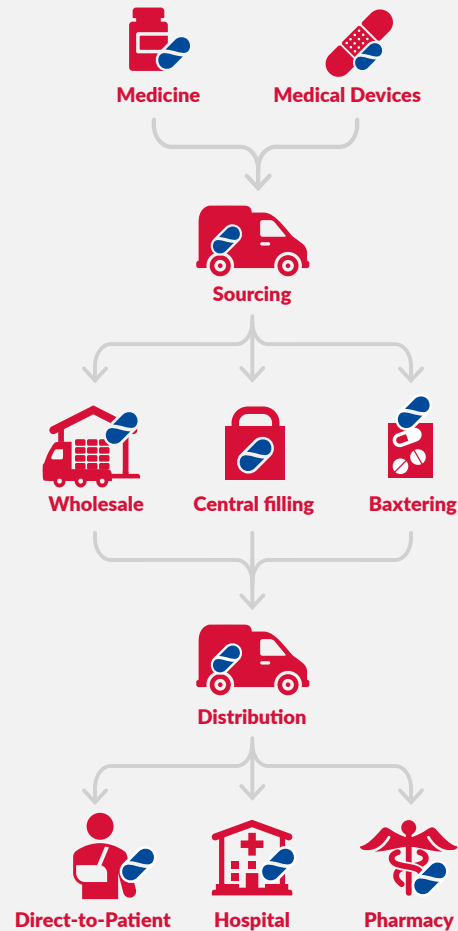




Pluripharm

was established in 1984 and is a supplier to Dutch pharmacies and hospitals. Pluripharm is one of four leading wholesalers in the Netherlands. In 2021, the company delivered more than 17 million packs of medicine to Dutch consumers. The medicines and medical devices are delivered both via an extensive network of independent pharmacies, but also directly to the patients. Pluripharm is established as a dedicated partner of independent pharmacies and offers a number of value adding services. Among these are

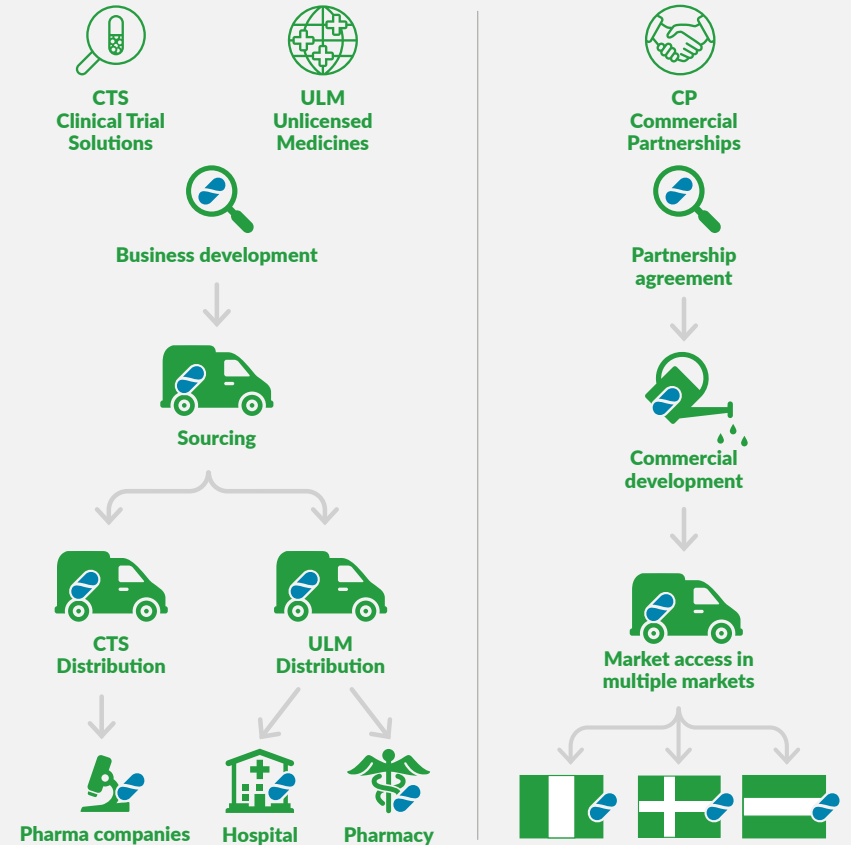
- Central filling
- Baxtering
- Contract negotiations with health insurers



Abacus Medicine Pharma Services

offers value added pharma services that directly or indirectly help consumers across the globe get access to existing and new innovative medicines. The Abacus Medicine Pharma Services team have decades of experience across three main service areas:

- Unlicensed Medicine
- Clinical Trial Solutions
- Commercial Partnerships





Better Access. Better Healthcare

We take action in support of the UN Sustainable Development Goals by providing better access to medicine.

The Abacus Medicine Group recognises and supports the United Nations 17 Sustainable Development Goals. We strive to continue our contribution to the international community we are a part of, and we acknowledge this responsibility and the impact we have. This report constitutes the Abacus Medicine Group's compliance with the statutory disclosure on corporate social responsibility, see the Danish Financial Statements Act, section 99a.

Adopting sustainable practices, whether large or small, can have significant impacts in the long run. Improving our sustainable development within the three pillars: environment, economy and society is our overall goal.



In the Abacus Medicine Group, sustainability is in line with stakeholder concerns and of relevance to our business and society in terms of context, completeness and balance.

Our sustainability efforts aim to contribute to solving the major global challenges being addressed by the UN Sustainable Development Goals. The Abacus Medicine Group's strategy and targets focus on three SDGs that hold particular influence to our business. This is where we believe we can create the biggest positive impact at scale through the knowledge, products and solutions we provide to our customers and society at large.



Good health and well-being

At the centre of everything we do stands our purpose of providing better access to medicine. We aspire to conduct business where our expertise and knowledge drive change and contribute to the continuous development of ensuring good health and well-being.

As a Group consisting of a variety of pharmaceutical companies, we believe that our strongest contribution to our society lies within SDG 3. With our broad range of services within parallel distribution, pharmaceutical areas such as clinical trials and unlicensed medicines as well as general pharmaceutical wholesale and direct-to-patient services, we have one of the broadest lists of beneficiaries. We are extremely proud of being able to help address medicine shortages and to serve such a large and diverse group of stakeholders and patients through this multitude of channels.

With this broad range of services, we are able to reach numerous countries and thereby thousands of patients. Furthermore, with our successful multi-market strategy for our continuously growing parallel distribution business, our reach within Europe is unmatched and continues to provide value and better healthcare for all.

We work hard every day to ensure safe and stable access to medicine. As such, SDG 3 ties closely and directly with our core business and all operations in our company.

continued

SDG 3 as an embedded purpose driver

Our company contributes to the health and well-being of others, and we are proud to serve a purpose beyond ourselves. With our largest business area of parallel distributed medicine, we take part in providing better access to medicine. When we compete in the market, we help lower the prices on life-critical medicines so that they become more widely available. When the Abacus Medicine Group supplies medicines at more affordable prices, the result is significant savings for patients and public budgets alike.

In a global economy where healthcare costs are rising, we are extremely proud to be a contributor to significant savings for patients, hospitals and governments. In fact, an external study¹ shows that parallel distribution contributes to society with an average of 3% savings of total medicine costs in Denmark, and 17% in average savings per product exposed to competition from parallel distribution. This corresponds to an estimated total saving in 2018 of EUR 82 million in Denmark alone. Based on another external study including data from Germany and Sweden², we expect a similar impact in the other markets in which we operate.

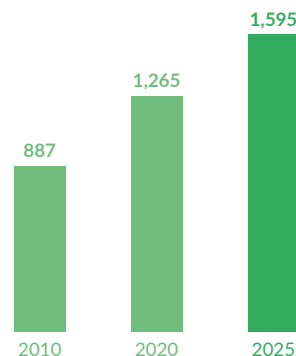
Our constant focus on providing better access to medicine to secure better healthcare for all is what drives all our operations. With our state-of-the-art data and IT systems as well as our vigorous quality management, we work every day to help patients around the world gain access to their medicines at affordable prices without compromising on quality. This is what we do best and what we value as our biggest input to our society.

While our contribution to SDG 3 is by far the biggest impact our business and sustainability efforts have, we also recognise how we indirectly impact other SDGs.

¹ https://usercontent.one/wp/fpm.dk/wp-content/uploads/2020/01/Copenhagen-Economics_Effekten-af-parallelimporteret-medicin-v2.pdf ² <https://affordablemedicines.eu/wp-content/uploads/2020/01/Affordable-Medicines-Europe-Studies-on-Savings-2020-2.pdf> ³ <https://www.statista.com/statistics/280572/medicine-spending-worldwide/>

Global spending on medicine in 2010, 2020 and forecast for 2025³

(in billion U.S. dollars)



Packs sold 2021



Decent work and economic growth

Our values of dedication and innovation are embedded in our company culture and are a big part of how we operate. We aspire to create decent work and economic growth by promoting our core values, both within our own organisation and with the stakeholders we collaborate with. This entails an inclusive culture where we value diversity in all its forms. We also believe this is one of the driving forces behind the creativity and innovative mindset that flows within our growing company. We wish to encourage the values, standards and considerations that in its whole create a productive and decent work environment for everyone working for or with the Abacus Medicine Group.



Responsible consumption and production

As a natural consequence of our business model, we inevitably impact SDG 12 through the consumption and production of repackaged medicine. The Abacus Medicine Group is very aware of the emissions and environmental impact that derive from this. Measures have been taken in order to continue the process of reducing, recycling and reusing all matters relatable to sourcing and production. Focus programs within this area have since 2019 been driving progress that allows for prevention of as many unnecessary emissions as possible. Furthermore, we encourage our suppliers and stakeholders to continue the same sustainable awareness and practices.

Our response to COVID-19

The COVID-19 pandemic has continued to demand constant attention in everything we do, and both our employees and business have been influenced by the challenges and opportunities that have derived as results of the pandemic. The health and well-being of our employees has been our first priority. Throughout 2021, we have taken considerable measures to ensure a safe working environment while upholding our usual business.

A safe work place

Throughout 2021, the Abacus Medicine Group has taken numerous actions in order to prevent the spreading of COVID-19 in our offices and facilities by establishing a number of relevant initiatives to limit risk of infection in the workplace. Employees have in longer periods been asked to work remotely and have been able to continue doing so if this is what the individual employee has been most comfortable with. Our offices have in periods been open to a limited number of employees, as precautions like distance between colleagues were influencing our capacity. For the employees that have been physically present at our offices and production facilities, a set of guidelines was established. This included regular testing, distancing, shift work and continuous disinfection. Furthermore, employees at our Copenhagen office have had the

possibility to conduct self-testing at the office during working hours.

Lastly, we have hired employees to be responsible for disinfecting common areas multiple times a day.

All these initiatives have played a central role in ensuring a safe working environment that has supported a low infection rate among our employees throughout the entire Abacus Medicine Group.

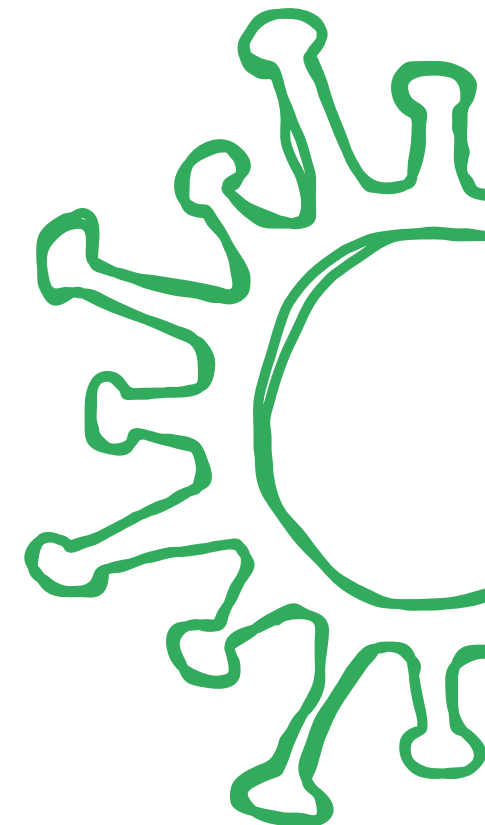
COVID-19 has had a big impact on our industry and thereby our business including reducing the level of prescription medicine being issued in many countries. While many of our business processes have been changed, some of which have resulted in additional costs, and most of our employees have been working from home for periods of time, we have adapted

successfully to the situation again this year. The agile mindset and dedication of all employees have made it possible for us to successfully continue our work.

Ensuring vaccinations

During 2021, Abacus Medicine partnered with Practio A/S and won two Danish tenders to be private distributors of COVID-19 vaccines in Region Zealand and the Region of Southern Denmark. The collaboration could have been responsible for potentially vaccinating thousands of Danish citizens every day across multiple private centers in the two regions.

Abacus Medicine was able to provide competences and knowledge at a critical time, and even though this collaboration never came into effect, we are proud to have been given the chance to help the society we are a part of.



Sustainability Approach

As our company continues to grow, we become more and more aware of how our business affects the surrounding environment. In 2021, we revised our approach to sustainability and implemented new and improved ways to evaluate our progress continuously.

How we organise sustainability

Sustainability in the Abacus Medicine Group is governed at executive management level through our Sustainability Steering Committee (SSC). The Committee sets the overall direction and strategy for our work with sustainability and agrees on the yearly focus programs. The yearly focus programs represent the projects we will work with throughout the year. Specific KPIs and action plans are agreed for each focus program every year.

The Sustainability Steering Committee is comprised of the Head of the Sustainability Steering Committee, SSC Managers, Project Managers and finally, the Reporting and Communication Team.

The Head of the SSC is the CFO of the Abacus Medicine Group, Peter Rønneft Andersen. The Head of the SSC holds the final approval of all focus programs each year. Furthermore, the Head of the SSC is managing

communications with the Board of Directors, ultimately influencing the level of ambition around our work with sustainability.

The Reporting and Communication Team is responsible for all internal and external communication and reporting of everything related to the work and functioning of the Committee.

Members of the SSC are all referred to as SSC Managers. They are responsible for dividing the agreed focus programs among themselves in relation to where the relevant skills and knowledge lie. SSC Managers are responsible for the functioning of their assigned focus program(s) as well as the overall results hereof.

SSC Managers will appoint one or more associates within the company to lead the daily operations of the focus program in question. The associates will function as the Project Managers and be responsible for the ac-

Sustainability Steering Committee



Peter Rønneft Andersen
Head of Sustainability
Steering Committee

REPORTING AND COMMUNICATION TEAM



Kasper Lythans



Ole Lindhardt



Kathleen Lameter



Sofie Svendsen

SUSTAINABILITY STEERING COMMITTEE



Peter Rønneft Andersen
CFO



Kasper Lythans
Head of Investor
Relations and
M&A



Ole Lindhardt
Head of
Communications



Kasper Yde
Executive Vice
President –
Commercial
Partnerships



Katinka Zinnemers
Manager Director
(Abacus Medicine
Hungary)



**Lene Beck
McCormick**
CLO



**Gerard
van de Weert**
Operational
Director,
Pluripharma

Our focus programs 2021



tual execution of the focus program. A close dialogue with the SSC Manager is kept throughout the year to ensure a steady flow of results.

Securing continuous progress

It is the Committee's responsibility to continuously evaluate the progress of our work throughout the year. In order for the Committee to do this, both annual and quarterly KPIs are set for each focus program. Furthermore, monthly meetings with each of the SSC Managers and the Project Managers as well as quarterly SSC meetings are held in order for us to evaluate the overall progress and areas to improve. Lastly, the Committee engages in a running dialogue with the Board of Directors on the strategic direction for Sustainability through regular Board meetings and dedicated workshops.

In the Abacus Medicine Group, we believe that sustainability should be a combined effort by the whole organisation. That is why we continue our decentralised structure where the daily responsibility for the focus programs is delegated to relevant line functions such as HR, Purchase, Supply Chain and Production.

We believe that engaging all departments and employees to take part in the Abacus Medicine Group's sustainable journey will create the greatest impact.

People & Society

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The Abacus Medicine Group as a workplace

The people of the Abacus Medicine Group are the driver of our continuous growth and development. In the Abacus Medicine Group, we are innovative, dedicated and we care. These strong and well-established Group values lead the way for how our people work and how we work with our people.

Historically, the Abacus Medicine Group has always had a high employee satisfaction and we are extremely proud of being a valued workplace for so many people around the world.

In 2021, after a tumultuous year with numerous national lockdowns due to the COVID-19 pandemic, we were once again thrilled with the results of our annual Employee Satisfaction Survey. The survey was conducted in April 2021 looking back at the previous year.

From the Satisfaction Survey in 2020, we concluded on a few areas where we could improve, namely local and global information flow and cooperation. To improve on these areas, the Group introduced several new global initiatives and invited 36 of our leaders to the first Abacus Medicine Group Global Leadership Development.

82%

of the employees
responded in the Employee
Satisfaction Survey.

4.0

out of 5 in overall score.

“Engagement” (4.3 out of 5)
and “Relationship with
immediate manager”
(4.2 out of 5)
are the top scores.



“I am so impressed by the results of this survey. 2020 and 2021 have been tough years, so I am so happy that the leaders and employees on all Abacus Medicine Group locations have managed to keep the dedication, engagement and enjoyment. It makes me so proud to know that the Abacus Medicine family still has a very high satisfaction overall and a continuous desire to be a part of the company and the vision I have for the Abacus Medicine Group.

Flemming Wagner,
CEO of the Abacus Medicine Group

The initiatives clearly worked, as the overall score for the two areas concerning local and global information flow and cooperation increased between 0.1-0.3%. Despite this improvement, the two areas remain on our focus list for us to continue our progress.

Overall, our Employee Satisfaction Score increased to 4.0 out of 5 in 2021 from 3.9 in 2020. This is a testament to the fact that even though our company has faced challenging times during the COVID-19 pandemic, we constantly focus on the well-being of our employees.

A new headquarters in Copenhagen

A key event in 2021 was the move of our headquarters in Copenhagen, Denmark.

With the move came the opportunity to make large-scale and significant sustainable changes to our workplace.

For many months, a project team was driving this sustainable process forward and multiple decisions had to be made in terms of construction, interior and much more.

Here are some of the new sustainable initiatives:

- To the extent possible, the construction team reused and renovated materials instead of buying new.
- In contrast to our former headquarters, all lighting in the new office is LED-driven.
- The office is provided with power and water from a green energy distributor that solely uses renewable energy sources.
- Extensive waste sorting has been implemented which allows for right-ful waste handling and recycling.
- All appliances hold the most energy efficient rating alongside installation of water saving luminaries.
- Almost all furniture has been reused, and any additional furniture being purchased has either been recycled or made with a sustainable material or production method.

Many sustainable choices have been made in connection with this new building. All of these choices will influence the amount of emissions that our headquarters evidently emit, directly and indirectly, for years to come.



Dedicated, innovative and we care

In the Abacus Medicine Group, we care about our employees and want to make it as pleasant and safe as possible for them to come to work every day. Distance Management and safe workplaces in our production sites have been a main focus during 2021, as COVID-19 outbreaks in production have been regarded a significant risk factor in 2021.

The Abacus Medicine Group is very fortunate to have very dedicated employees and leaders, and we have therefore experienced even more collaboration and a natural approach of pulling together cross borders, departments and positions.

Our values of care and dedication came natural to all layers in the Group, and we have truly seen the company values in action during 2021. Innovation is at the core of the Abacus Medicine Group and to ensure an even higher degree of development and innovation,

we introduced the Abacus Student Mentor Programme to ensure the continuous retention and development of our many skilled students.

Furthermore, the Abacus Medicine Group has grown a lot in the past years, and the Executive Management Team introduced an additional management layer in the Group to ensure a better information flow and transparency of different decisions.

This management layer is called Senior Management Team and consist of 45 leaders representing all locations and business areas. The first meetings were held in September, and by the end of 2021, it was very clear how both leaders and employees were benefitting from this new setup, and we are already seeing a better information flow, cooperation and understanding between our different departments throughout the Group.

Historically, the Abacus Medicine Group has always had a strong corporate culture, where innovative ideas and collaboration across departments, locations and positions are valued highly. We believe that this is what fosters our growth and continuous development as a company.

At the core of our company is our diverse workforce. We continuously work to ensure equal opportunities through encouragement of diversity in all its forms including age, gender, ethnicity, nationality, religion or belief, disability, education, sexual orientation, gender diversity and expression. In 2021, we fulfilled our goal of electing our first female Board member, as we welcomed Michala Fischer-Hansen. Our goal for 2022 is to maintain the current gender distribution in the Board of Directors.



People & Society in 2022

In 2021, People & Society included two focus programs: **Diversity** and **Community Engagement**. Both of these programs will continue in 2022.

The Diversity-program will mainly focus on broadening the scope globally to the whole Abacus Medicine Group with the aim of developing and launching a comprehensive global Diversity & Inclusion strategy in 2022. Community Engagement will merge with the Sustainable Initiatives & Corporate Guidelines-program. The two programs will continue their focus on creating awareness both internally and externally about our sustainability efforts.



38

Total number of nationalities in the Group



14.82

Sickness absence rate including COVID-19 related absence (days per FTEs)



37.5

Age diversity (average age)



466

Men



682

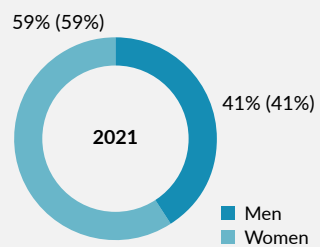
Women

Diversity in numbers

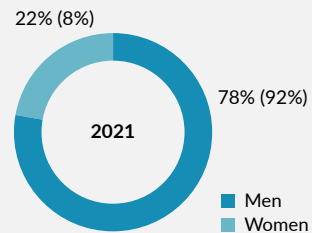
The Abacus Medicine Group

This section includes the gender distribution in management cf. section 99b of the Danish Financial Statements Act. The percentages in parentheses indicate 2020 figures.

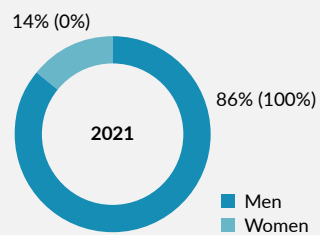
Gender Diversity Global



Gender Diversity Executive Management Team



Gender Diversity Board of Directors





Diversity has been introduced as a new focus program in 2021, with the purpose of fostering a diverse and inclusive work environment that contributes to strong employee engagement, talent attraction and retention as well as to successful and sustainable business operations.

KEY RESULTS IN 2021

- Evaluation of the current state completed for Operations & QA.
- Diversity & inclusion strategy developed with initial focus areas for Hungary and the Netherlands.

Program Summary

Consciously building a diverse and inclusive organisation requires a complex and long-term approach. The Abacus Medicine Group took new steps on this journey in 2021, firstly by hiring a Diversity & Inclusion Officer dedicated to defining our diversity strategy and implementation plans.

In 2021, the program had its initial focus on the Operations and QA department (with major locations in Hungary and the Netherlands).

Objectives in 2021

- Evaluate the current state of diversity and inclusion.
- Examine and articulate why diversity and inclusion are important for Abacus Medicine Operations & QA from a business perspective.
- Define a Diversity & Inclusion (D&I) strategy.
- Develop implementation plans and prioritise activities for each focus area.

Results

In 2021, we laid the foundation for a systematic and conscious approach to diversity and inclusion at Abacus Medicine Operations & QA. The resulting strategy was built on two pillars: evaluation of the current state and the business case.

For evaluating the current state, an analysis of workforce demographics, employee engagement and HR processes was conducted to establish potential focus areas. Part of this pillar was to understand the current leadership mindset and practices to manage a diverse workforce as well as conducting focus groups in Hungary to gain insights into employee experiences and needs related to D&I topics.

Through discussions with managers and leadership teams about the value the program can bring to the organisation, we were able to build a business case for D&I.

The identified D&I focus areas include the culture of inclusion, cross-cultural competence, diverse workforce and leadership, flexibility and family friendliness. In November 2021, it was decided to expand the scope of the Diversity-program to develop a Diversity & Inclusion strategy for the entire Group.

By the end of 2021, we took initial steps in the prioritized D&I focus areas and we expect to build on these in 2022.

Community Engagement in the Abacus Medicine Group

We want to do better, where it really matters. As the Abacus Medicine Group continues to grow, so does our societal impact. We have an obligation to support and better the environment around us and our wider society.

In the Abacus Medicine Group, we have always believed in serving a purpose beyond ourselves. Our core business model of parallel distribution does exactly this by making life-critical medicines more widely available at lower prices for patients across the world.

The Abacus Medicine Group is innovative, dedicated and we care, and we carry these values with us in all our operations including our community engagement activities. We are always looking for opportunities to contribute to our surrounding society in ways that fit with our values and purpose, so that we can make the most significant impact.

In 2021, we took a big step in relation to community engagement, as we formalised our first official focus program within this area and thereby started to codify processes for all relevant activities, while also driving awareness internally.

Additionally, we introduced a major sponsorship agreement with the #impaktWISE-project (formerly #covidWISE) anchored at Copenhagen Business School. The sponsorship is in full support of SDG 3 (Good Health and Well-being) and SDG 8 (Decent Work and Economic Growth), and furthermore aligns well with our values.

About #impaktWISE



#impaktWISE came out of the immediate need of the COVID-19 crisis, aiming to support social entrepreneurs with temporary business models addressing the social, economic and health-related consequences of the pandemic. The project has since broadened its scope of ideas to support the development of entrepreneurial solutions to all types of pressing humanitarian challenges.

In March 2021, Abacus Medicine signed on as the main sponsor of #impaktWISE for the whole of 2021 and 2022.

"We see a strong link between the #impaktWISE project and Abacus Medicine. Our company culture has always been innovative and entrepreneurial, so there is a clear match here. Furthermore, we get an opportunity to support young students, who have always played a big role in our company."

Flemming Wagner,
CEO of the Abacus Medicine Group.



In June 2021, the first case competition called the Ideation Awards was hosted through the project and it was a great success. With 60 innovative social business model ideas submitted from all across the world, the project clearly fostered great interest in solving humanitarian and social challenges.

In the end, a project called LOCAL won the competition with their idea of creating a new digital platform that connects people in struggling, lockdown restricted cities in India and helps them gain access to small local shops selling groceries, disposables and other household items.

Numerous future events and competitions will be hosted in order for more entrepreneurial ideas to come forward and hopefully foster positive changes in our society.



Focus Program

Community Engagement

In 2021, we introduced our first ever program revolving around humanitarian and donation-related activities in the Abacus Medicine Group.

Program Summary

The Community Engagement-program set out to develop official frameworks for humanitarian activities such as volunteer work, donations and sponsorships. The frameworks should describe what kind of good causes the Abacus Medicine Group finds most relevant to support and how we can best do this.

Our Medicine Donation-program from the last 2 years has been one step in this direction, but we wanted to broaden the scope. In 2021, the Medicine Donation-program continued under the Community Engagement-program.

Objectives in 2021

- Develop an official donation framework for the Abacus Medicine Group.
- Develop an official framework for corporate volunteering.
- Communicate volunteering and donation efforts in the Abacus Medicine Group.

Results

Overall, the Community Engagement-program fulfilled its purpose in 2021. In the beginning of the year, we mapped out the current and previous activities in the organisation relating to donations and volunteering.

An official Donation Framework was developed and implemented within the Abacus Medicine Group. The framework establishes a clear process for how to handle both internal and external donation requests.

The foundation for the Corporate Volunteering-framework has been mapped, and a framework has been drafted. The goal is to have this finalised in 2022.

KEY RESULTS IN 2021

- Official Donation Framework has been established.
- Successful launch of #impaktWISE sponsorship.

With the introduction of Access, our internal communications platform, we have been able to share all the great stories from around the company relating to the many ways we engage with our community. All the stories received great response throughout the year.

The Medicine Donation-program did not provide any concrete results in 2021, as tightened regulations around medicine donations have made it very difficult to donate. Despite these challenges, we will continue to investigate ways to continue the program in 2022.

Supply Chain & Production

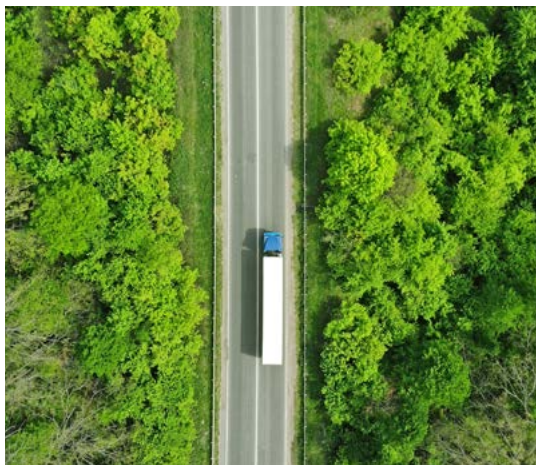
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Impact from our business model

We acknowledge the environmental impact of our core business model. We are always looking into ways to minimise this impact and optimise our processes in more sustainable ways.

As part of the pharmaceutical industry, the Abacus Medicine Group and our business model inevitably leave behind an environmental footprint. We import and export medicine across Europe and the world on a daily basis.

We will continue to expand on our ESG measures in the future to fully grasp our company's impact so that



we can look for the most efficient ways to optimise our business model.

Transport

Transport of medicines is key to the Abacus Medicine Group. Every day, we transport thousands of packs of medicine to patients, pharmacies and hospitals in numerous countries. As we do this, we support and contribute to SDG 3 (Good Health and Well-being) by securing better access to safe and affordable medicine for multiple people across the world.

As our company continues to grow, we are able to expand the reach of our products and more patients will gain access to life-critical medicine. However, as we grow, so does our environmental footprint.

Due to this inevitable fact, we will continue to research opportunities to optimise our processes in more sustainable ways including working closely with our external transport providers to reduce the environmental footprint.

Waste

Being a parallel distributor means that we include a crucial step in our production process, namely the repackaging of each pack of medicine.

This crucial step of repackaging is why waste management has played a central role in our work with sustainability for many years and will continue to do so for years to come.

Since 2019, we have had a highly effective waste management system for our cardboard waste. In 2021, we expanded this waste management system to include plastic waste as well.

Furthermore, given our industry, medical waste is a factor that cannot be avoided as products reaching expiry must be destroyed. We work actively to reduce the amount of expired products by managing our inventories and by keeping a firm focus on products approaching expiry.



Supply Chain & Production in 2022

In 2021, Supply Chain & Production included three focus programs: **Transportation, Waste** and **Overall Sourcing**. All three programs will continue in 2022, though in a slightly different setup.

The Transportation-program will continue with the same focus in 2022. The Waste-program will be merged with the Overall Sourcing-program in 2022. Merging these two program will allow for a more holistic view on our production from beginning to end. This new program will continue to focus on our waste management and sourcing processes with the aim of expanding best practice to our facilities in the Netherlands. Furthermore, limiting medicine waste will be a key focus area in 2022.



Focus Program

Transportation

The transport of medicines is a main driver for the Abacus Medicine Group and is essentially the foundation of our business model. This program continues from last year with the same overall goal to investigate and measure how our movement of medicine impacts the environment.

Program Summary

We acknowledge that, as a natural consequence of our business model, a large part of our CO₂ emissions is emitted through our third-party transportation suppliers used for the distribution of medicine.

In general, we transport our products via truck from suppliers to our production facilities, and from our production facilities to our end-customers. We split our transportation in sprinters, defined as light vehicles, and trucks, defined as heavy vehicles. Very rarely, we use air transport for highly urgent deliveries.

This program investigates ways to measure our transportation footprint both in relation to actual emissions and so-called avoided emissions as we find ways to optimise our supply chains by, for example, optimising the number of trucks on the roads.

As a fast-growing company, we will keep a focus on supply chain optimisation as well as measuring and monitoring how the emissions develop relatively.

Objectives in 2021

- Tracking our scope 1 emissions in order to define goals and KPIs for the future.
- Measure our transportation methods (air transport vs. trucks and sprinters) against the quantities and monitor how this area has developed through the years in order to minimise the use of air transport.
- Continue to grow the dialogue with and provide support for our transportation providers about environmentally friendly solutions, hereunder introducing a Transportation Code of Conduct.

Results

As an important part of improving our efforts to reduce our future CO₂ footprint from transportation, we found it critical to set a baseline for our past and current performance. In 2021, we focused on the most vital aspects of our operations.

Furthermore, we have strengthened and worked towards more communication and dialogue with our transportation suppliers in order to ensure continuous work towards increasingly sustainable transportation. In general, all objectives were met in 2021.

KEY RESULTS IN 2021

- Successful evaluation of past and current performance.
- Started tracking sources of direct GHG emissions with the ambition of assessing our value chain in 2022.



Waste management is a very important sustainability project in the Abacus Medicine Group. The purpose of this program is to find environmentally friendly and sustainable solutions for handling our waste.

Program Summary

With the creation of a new waste management system at the Abacus Medicine Group's production site in Hungary in 2019, we wanted to seek opportunities for improving our processes and integrate different waste types. The Packaging Material-program from 2019 found a new waste handling and management system, where our paper and cardboard waste is recycled into new paper products such as toilet paper and napkins.

In 2021, the program continued these previous successful initiatives while launching and investigating new relevant initiatives. Furthermore, the program will focus on reducing medical waste.

Objectives in 2021

- Improve waste management at our Hungarian site by including plastic waste in the recycling system.
- Find possibilities for the recycling of hazardous waste.
- Collaborate with Pluripharma and determine how to learn from each other's waste handling.
- Identify root causes for medicine waste and establish processes to reduce future medicine waste.
- Investigate compliance with EU legislations, policies and plans related to waste management.

Results

In order to include plastic waste in our recycling system, we invested in a new baler for air-filled plastic materials. However, COVID-19 caused component shortages on the manufacturer's side, forcing the test phase to be postponed to the beginning of 2022.

We have taken steps to recycle hazardous waste by contacting Hungarian companies offering this service, and we hope to establish a partnership with one of them in 2022.

We will continue to actively compare our waste management system with that of Pluripharma to identify opportunities for improvement in 2022.

KEY RESULTS IN 2021

- Plastic waste has been included in our recycling system in Hungary.
- Research and contact with Hungarian partners for hazardous waste recycling.

Furthermore, we will continue to further incorporate policies into corporate waste management strategy based on relevant EU legislation.

Finally, we will continue to work for identifying and eliminating root causes for medicine waste.



Focus Program

Overall Sourcing

In the past, the Abacus Medicine Group has focused on packaging material in relation to our Sourcing-program. In 2021, we broadened the program to include both packaging material and indirect & technical procurement.

Program Summary

Sourcing in the Abacus Medicine Group covers a wide variety of areas. Previously, our focus has been on how we source packaging material, but in 2021, we decided to broaden the scope of the program.

As such, the plan for the program was to first and foremost define the new scope of the Sourcing-program and liaise with all relevant internal stakeholders in this matter. Hereafter, relevant projects were to be established and initiated.

Objectives in 2021

- Establish new scope for the Sourcing-program.
- Establish and initiate new projects relating to sourcing of packaging material.

Results

In relation to packaging material, we have started two projects in late 2021. The first project concerns reducing the use of inlays in our packs of medicine.

The other project concerning packaging material revolves around the reduction of scrap levels in our ERP-system. In 2021, our ordering tool was updated so that it now includes live data. This has provided us with the opportunity to be more precise when

ordering so that the risk of throwing away usable packaging material is minimised.

In relation to technical and indirect procurement, the Abacus Medicine Group has hired a procurement professional to head this important area of business. This new role covers all sourcing areas unrelated to packaging material meaning that we are now taking a much more strategic and sustainable approach to sourcing all goods and services in the Group.

KEY RESULTS IN 2021

- Head of Technical & Indirect Procurement has been hired.
- Two successful projects have been finalised in relation to packaging material.

Governance



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Compliance and ethics in the Abacus Medicine Group

The Abacus Medicine Group always strives to exercise good corporate governance in order to ensure accountability and transparency towards our employees, stakeholders and society at large. We urge our employees to always operate with the highest level of integrity and responsibility.

The Abacus Medicine Group has a well-established [Compliance Framework](#) including a detailed Code of Ethics & Conduct, where we report on relevant policies and guidelines in accordance with section 99a of the Danish Financial Statements Act and section 54, part 6, of the UK Modern Slavery Act.

Anti-corruption

As a global company, the Abacus Medicine Group cooperates with a large variety of stakeholders every day. While corruption has not historically been an issue for our business, we are fully aware of the risk it poses. Our Anti-Corruption Policy is set in place to counter corruption in all its forms and applies to all employees and representatives of the Abacus Medicine Group. Further to this policy, we also have an Employee Code of Conduct and a Whistleblower Scheme to ensure that all employees work with the highest standards of personal and organisational integrity. We continue to stay updated and monitor the regulatory climate on

anti-corruption. During 2021, we implemented our Supplier Code of Conduct for medicinal suppliers in our parallel distribution business. In 2022, we expect to implement a Supplier Code of Conduct for our third-party logistic providers.

Human rights

The Abacus Medicine Group has zero tolerance regarding slavery and human trafficking. Since 2020, the Abacus Medicine Group has had policies in place targeting the prevention of Human Rights abuses, including an Anti-Human Trafficking Policy and an Anti-Slavery Policy (together, the Modern Slavery Policies). These policies are further supplemented by our Supplier Code of Conduct for medicinal suppliers. We stress the importance of keeping human trafficking and slavery out of our supply chains. Considering the nature of our business being mainly in Europe and being extremely regulated and under regular controls from the authorities, we believe that the risk of human trafficking,



slavery or violation of human rights is minimal. We have not identified any Human Rights abuses in our supply chain thus far. Nevertheless, we have implemented the Modern Slavery Policies and the Supplier Code of Conduct for medicinal suppliers to continuously eliminate any risk of future human trafficking and slavery.

Anti-discrimination

The Abacus Medicine Group has always strived to provide a safe, healthy and secure working environment for all our employees.

At our core is our diverse workforce and a dedication to be completely free of discrimination in all aspects with our well-established Anti-Discrimination Policy.

We do not tolerate discrimination or harassment in the workplace, including on the basis of age, disability, ethnicity, national origin, gender, race, color, religion, marital status, sexual orientation, or other perceived differences.

These principles extend to all employment decisions including recruiting, training, evaluation, promotion and reward.

Tax policy

In the Abacus Medicine Group, we look to the UN Sustainable Development Goals to guide us on responsible corporate citizenship and to ensure that we meet stakeholder expectations to a sustainable business.

By adhering to our Tax Policy and paying our fair share of taxes, we believe that we contribute both directly and indirectly to most of the UN Sustainable Development Goals, in particular Goal 16.6 on the development of effective, accountable and transparent institutions.

Data ethics

The Abacus Medicine Group has not implemented a Data Ethics policy for 2021, due to the following reasons:

The majority of the Abacus Medicine Group's business takes place in the business-to-business segment, and the involvement of personal data is therefore limited. The company has not implemented any new technologies that would give rise to concerns regarding data ethics in relation to personal data.

The protection of individuals' fundamental rights and freedoms is achieved through compliance with existing data protection laws, especially the requirements relating to data minimization, transparency and security.

The use of non-personal data within the Abacus Medicine Group does not involve any new technologies that would give rise to ethical concerns.



Governance in 2022

In 2021, Governance included two focus programs: **Supplier Code of Conduct** and **Sustainable Initiatives & Corporate Guidelines**. Both of the programs will continue in 2022.

The aim of the Supplier Code of Conduct-program for 2022 will be to continue to establish processes for the Code internally while enforcing the Code externally with our suppliers. Sustainable Initiatives & Corporate Guidelines will be merged with the Community Engagement-program in 2022, and will continue to work for raising awareness around our sustainability activities internally in the Abacus Medicine Group while implementing relevant new initiatives.



Focus Program

Supplier Code of Conduct

It is important to the Abacus Medicine Group that our suppliers adhere to our ethical standards. The Supplier Code of Conduct defines how we want our partners to conduct business and commits our logistic partners, suppliers and other third parties to comply with these principles.

KEY RESULTS IN 2021

- Finished internal approval process and are now in the process of sending out the Supplier Code of Conduct to all active suppliers.

Program Summary

The overarching purpose of the Supplier Code of Conduct is to ensure that all our suppliers comply with the given set of legal, ethical, regulatory and moral guidelines that the Abacus Medicine Group has put forward in the Code. We recognise that our Group's responsibility may extend even beyond the letter of the law.

The Supplier Code of Conduct guarantees a productive and safe cooperation between the Abacus Medicine Group and each of our suppliers. With the Supplier Code of Conduct, we ensure as far as possible that we are aligned with our suppliers on legal, regulatory, ethical and moral standards.

The program entails standards in relation to fair competition, business integrity, protection of the environment, fairness and non-discriminating treatment of employees.

Objectives in 2021

- Communicate the Supplier Code of Conduct to relevant recipients.
- Introduce the Supplier Code of Conduct as a standard document which shall be sent to all new external parties within the fields of supply, logistics etc. and to be included in all external audits conducted by the Abacus Medicine Group.
- Continuously strive to make sure that the Supplier Code of Conduct is distributed to and signed by all existing partners in a timely and consistent manner.

Results

In the first half of 2021, we focused on bringing the final Supplier Code of Conduct to internal stakeholders for approval.

After this internal approval, the Supplier Code of Conduct is now in the process of being sent to all active suppliers.

In 2022, the focus will be to ensure that the Supplier Code of Conduct is signed by our suppliers.



Focus Program

Sustainable Initiatives & Corporate Guidelines

This focus program is entangled in most of the other focus programs in 2021, as its main purpose is to ensure that initiatives already established are of a suitable level. This enables us to articulate such initiatives and further optimise and align existing solutions by expanding these across the entire organisation.

KEY RESULTS IN 2021

- Successful sustainability-campaigns have been launched internally.
- The program has encouraged further collaboration across sites.

Program Summary

With this program, we aimed to define guidelines and procedures that provide a coherent approach for achieving our corporate objectives, which in this regard focus on issues related to community engagement and sustainability.

In this way, we seek to raise employee awareness concerning sustainable solutions and initiatives that are worth being incorporated into future corporate guidelines. The established corporate guidelines enable us to address charitable and sustainable issues by expressing our commitment and a consistent approach to our current and future impact.

Objectives in 2021

- Ensuring a high level of suitability of established initiatives.
- Articulating the established, suitable initiatives.
- Aligning and strengthening the solutions already existing by extending them across the Abacus Medicine Group.
- Introducing and articulating a range of new initiatives through corporate guidelines.

Results

The program has raised awareness of our sustainability initiatives and encouraged cross-collaboration throughout the Abacus Medicine Group. By mapping past and current initiatives, we were able to inspire the company across national borders.

During 2021, we started sharing sustainability stories and updates about our initiatives and achievements internally on our internal communications platform, Access, to further increase awareness of the program and to promote our common goal of creating a more sustainable business. In general, these stories and updates received great response.

ESG Reporting



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Focus Program

ESG Reporting

Environmental, Social, and Governance reporting is a relatively new corporate concept that sparks from a long history of lack of transparency within sustainability. To make our sustainability efforts even more transparent and to accelerate our current and future efforts, we have defined our first ESG KPIs.

KEY RESULTS IN 2021

- The first set of ESG measures have been produced and published for 2021.

Program Summary

The aim of this focus program was to design, develop and produce Environmental, Social and Governance metrics for the Abacus Medicine Group. As part of our improved efforts within sustainability, ESG adds transparency and valuable insights to our past and present performance. We use ESG reporting to assess our corporate behavior and impact which provides an opportunity to set targets for future performance.

We believe that quantifying the three pillars covers a broad range of concerns that are relevant to our business both today and in the years to come. Furthermore, ESG reporting is a way for all relevant stakeholders to get a glimpse of our societal impact. Over the coming years, we aim to define a solid ESG framework with key focus on the aspects most important to the Abacus Medicine Group, such as CO₂, medicine waste and social metrics.

Objectives in 2021

- Define possible and relevant KPIs within ESG parameters in accordance with double materiality.
- Conduct ESG data analysis and quality assessments for the ease of reporting, risk assessment and control.
- Introduce the first set of ESG metrics.

Results

The ESG focus program is heavily reliant on many stakeholders within the Abacus Medicine Group, as data and knowledge relevant to ESG are embedded across the whole organisation. As such, our work with ESG has generated further organisational awareness and cross collaboration in order to gather data of past performance and to ease our current and future work.

The ESG focus program has generated a wide set of KPIs and sustainability performance data, marking our continuous efforts and ambitions for the future.

In 2022, we aim to include more ESG metrics and potentially adjust some of the already introduced metrics. Also, we plan to introduce concrete future targets for each of the most important metrics.

Lastly, we will consider whether it is needed to further refine our scope 1, 2 & 3 definition in 2022.

ESG data

Environment	Unit	2018	2019	2020	2021
Direct GHG emissions (Scope 1)	Metric tonnes CO ₂ e	62.6	109.4	155.2	208.9
Renewable electricity share	%	25.0	20.0	29.0	31.0
Social					
Employee Headcount	Number of employees	568	770	1,073	1,148
Full-time Equivalents	Number of FTEs	449	618	912	1,052
Gender Diversity	%	57.0	61.0	59.0	59.0
Gender Diversity EMT	%	11.0	11.0	8.0	22.0
Employee Turnover Rate	%	17.5	19.0	12.9	16.9
Sickness Absence	Days per FTE	9.8	11.3	11.2	14.8
Employee Survey Participation Rate	%	-	83.0	87.0	82.0
Employee Satisfaction Score	Index 1-5	-	3.9	3.9	4.0
Governance					
Gender Diversity, Board	%	0	0	0	14.0
GDPR breaches	Number	0	2	2	1
Whistleblower cases	Number	0	0	1	1

Sickness absence includes COVID-19 related absence.
 Historical data is not available for all metrics for all years.
 The ESG data has not been subject to an audit.

Framework and accounting principles

For all metrics, Pluripharma Group is included from August 2020 which represents the time of acquisition.

Environmental	Accounting Policy	Entities
Scope 1 emissions	The calculation of scope 1 emissions is based on the Greenhouse Gas Protocol and includes the direct greenhouse gases from gas base heating and company cars.	Abacus Medicine Group
Renewable electricity share	The renewable electricity share is calculated as the renewable electricity consumption (including certified offsets) divided by the total electricity consumption.	Abacus Medicine Denmark, Netherlands and Hungary Pluripharma Group
Social	Accounting Policy	Entities
Employee headcount	Number of headcounts at year end.	Abacus Medicine Group
Full-time Equivalents	Number of headcounts converted into average Full-time Equivalents (FTEs) over the year.	Abacus Medicine Group
Gender Diversity	The distribution of the entire workforce, excluding external consultants, measured by headcount. Calculated as end of year female workforce divided by total workforce.	Abacus Medicine Group
Gender Diversity, EMT	Consists of members of the Executive Management Team. Calculated as female members divided by total members.	Abacus Medicine Group
Employee Turnover Rate	The employee turnover rate is calculated as the number of headcounts who left the company over a year divided by the average number of headcounts over the year.	Abacus Medicine Group
Sickness Absence	Sickness absence days are calculated as total number of sickness absence days for all FTEs divided by the average FTEs in the financial year. The calculation is based on 4 entities representing 96% of the total number of FTEs.	Abacus Medicine Denmark, Netherlands and Hungary Pluripharma Group
Employee Survey Participation Rate	Based on the yearly employee survey and included in the year where the survey took place.	Abacus Medicine Group
Employee Engagement Score	Based on the yearly employee survey and included in the year where the survey took place.	Abacus Medicine Group
Governance	Accounting Policy	Entities
Gender Diversity, Board of Directors	Consists of members elected at the general assembly. Calculated as female members divided by total members.	Abacus Medicine Group
GDPR Breaches	Number of GDPR breaches registered.	Abacus Medicine Group
Whistle-blower Cases	Number of whistle-blower cases registered.	Abacus Medicine Group

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