



**Sustainability report**

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# Orexo improves the lives of people

People staying healthy, being able to work and take care of their loved ones is Orexo's ultimate goal and our biggest contribution as a company to a sustainable society. On the way to achieving this, Orexo will carry out its work in a way that as far as possible minimizes our environmental impact. Through a clear sustainability agenda that permeates the entire business, we will contribute to a more sustainable world.

Sustainability has been important for Orexo for many years and a responsible business is central to all our activities and a foundation for our sustainability work. Orexo's sustainability work is managed by the Sustainability group and the team includes representation from the management team and other relevant functions creating the ability to influence the company's strategies and policies. The sustainability goals are achieved by integrating our ambitions and sustainability values in our policies and procedures and by communication with our employees and business partners.

In 2020, Orexo refined its sustainability agenda by defining four focus areas. These were updated in 2021: a) Innovation and partnership, b) Sustainable people, c) Sustainable supply chain, and d) Environment and climate change.

In 2021, we initiated a process to evaluate, analyze and further develop the agenda. It started with an analysis of the present situation to identify important sustainability topics. This was followed by a stakeholder analysis and stakeholder dialogue. In 2022, the stakeholder dialogue will be followed by a materiality analysis. The process ensures that Orexo identifies material topics, involvement of the whole organization and eventually a more powerful sustainability agenda.

## Frameworks are guiding our employees

Orexo's policies and procedures guide managers and employees in their day-to-day work and are aligned with international standards and well-known initiatives, such as the ILO conventions and the UN Guiding Principles on



## Statement by the CEO

Orexo's Sustainability Report is prepared in accordance with the Swedish Annual Accounts Act and it also act as our Communication on Progress according to the reporting guidelines of the UN Global Compact. I am pleased to reaffirm Orexo's support of the Ten Principles in the areas of Human Rights, Labor, Environment and Anti-Corruption.

Yours sincerely

**Nikolaj Sorensen**  
President and CEO

Business and Human Rights. Orexo is also a participant in the UN Global Compact. The Swedish head office, where we carry out research and development, is responsible for developing and maintaining corporate governance both for the Swedish parent company and its US subsidiary, Orexo US, Inc. The majority of the commercial activities are run by Orexo US, Inc., which also manages a number of guidelines adapted to local expectations and conditions in the US. Further details regarding governance and guidelines are described under Responsible business and each of the four focus areas.

more ambitious and clear goals in line with the SDGs. Our focus continues to be on Goal 3: "Good health and well-being", and in particular target 3.5: "Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol." Target 3.5 connects directly to our business' ambition to prevent and treat mental illness and addictive diseases. The SDGs will play an important part in our continued work to set a robust and material sustainability agenda. Further, the supply chain and the use of contract manufacturing plays an important part in the company's contribution to the SDGs.

**Orexo contributes to the UN Sustainable Development Goals**

Orexo supports Agenda 2030 and the Sustainable Development Goals (SDGs). In 2021, Orexo participated in the UN Global Compact's program "SDG Ambition Accelerator", a program that challenges participating companies to set

## Responsible business

Orexo operates in a market and industry where ethics and transparency are instrumental. Our overall corporate governance promotes the transparency to combat corruption and safeguard human rights.

**Innovation and partnership**

Our ambition is to become a leading player within the large and growing space of mental illness and substance use disorders and to improve access to treatment.

- New innovations
- Establish partnerships to develop and increase access to treatment
- Continuing collaborations with universities

**Sustainable People**

Our ambition is to offer a safe and healthy workplace where everyone feels valued and respected.

- Good health and well-being for our employees and a safe working environment
- An equal and non-discriminatory work culture

**Sustainable Supply Chain**

Our ambition is to ensure good management of social, ethical and environmental impacts throughout the supply chain.

- Sustainable procurement
- Responsibility throughout our supply chain

**Environment and Climate Change**

Our ambition is to operate efficiently and to reduce the climate and the environmental impact of all activities.

- Reduction of greenhouse gas emissions
- Improve or resources usage and and reduce amounts of waste



## Frameworks

### UN Agenda 2030

The UN Sustainable Development Goals sets an ambitious and necessary agenda to lead the world towards more sustainable development. Orexo's operations has a direct and indirect impact on several of the goals. Orexo has the greatest impact on the sustainability goal number 3 "Good health and well-being".

### UN Global Compact

The organizations that participate in the UN Global Compact commit themselves to living up to ten principles regarding human rights, working conditions, environmental impact and anti-corruption, and respect these throughout their value chain. As a participant in the UN Global Compact, Orexo's sustainability agenda builds on and follows these principles. The principles give the company the long-term focus and the direction required to create a positive change in the business.

### ILO core conventions

Orexo complies with the International Labor Organization's (ILO) eight core conventions, which constitute a minimum standard for working conditions, all over the world. It is about basic human rights in working life.

### UN Guiding Principles on Business and Human Rights

Orexo follows the UN's Guiding Principles on Business and Human Rights. These principles were adopted in 2011 and mean that an activity should not contribute to human rights violations and that companies should act to prevent such.



## 3 questions to Cecilia Coupland

**SVP and Head of Operation, management representative in Orexo Sustainability Group**

### How would you summarize sustainability for 2021?

Mental illness and substance use disorders are growing issues that have increased substantially during the pandemic. I am proud of the progress we made during 2021 in our research projects and in our collaborations with partners. These developments are creating opportunities to both bring new, improved products to the market and enabling our existing products to reach more people who are struggling.

The many challenges addressed by the Sustainable Development Goals continues and our participation in the UN Global Compact program SDG Ambition Accelerator has given us valuable insights into where our biggest impacts are. We have also taken further strides in our understanding of our current situation and what is important for us, by performing an internal and external stakeholder analysis. This will serve as great base for our future sustainability efforts.

### What are your sustainability priorities for 2022?

Our main priority is to finalize our materiality analysis and use this as a basis for setting a sustainability plan for coming years. The plan will include the whole of Orexo, both the Swedish R&D operations and our sales organization in the US. Furthermore, we will accelerate our efforts in understanding the sustainability impact of our external suppliers, which are a crucial part of our value chain.

### What would you like to achieve in a 5 year horizon?

My vision is that in five years we will have a full understanding of our sustainability impact through our operations and value chain and that we will have executed our sustainability plan. Also, that we will be recognized as a responsible company that goes beyond our legal obligations for sustainability.

# Responsible business

Orexo operates in the pharmaceutical industry, marketing a controlled substance. This sector of the industry has a history of unethical business conduct, hence business practices for companies like ours receive heavy scrutiny by law enforcement and legislative bodies. For us at Orexo, responsible business practices are a top priority and we have no tolerance for non-compliance.

Ethical practice underpins all Orexo’s business operations. Orexo operates in markets that offer good business opportunities, but operations can also be in high-risk markets with exposure to serious risks such as bribery and corruption. Orexo has no tolerance for this.

Orexo’s Code of Conduct “Business Compliance and Ethics Code” serves as an umbrella for all other policies and guidelines in the company and is based on corporate values, legislation and internationally recognized standards, such as the Universal Declaration of Human Rights, the Helsinki Declaration<sup>1</sup> and the Ten Principles of UN Global Compact. Orexo’s Code of Conduct is the basis of our business and it describes expectations and requirements in the areas of human rights, personnel and labour law, environment and anti-corruption. It also describes ethical expectations of research and development as well as requirements regarding patient safety.

The Code of Conduct must be followed by all board members, employees and temporary staff at Orexo AB and its subsidiaries. To ensure legal compliance, manage risks and to achieve set sustainability ambitions, Orexo has several policies and guidelines linked to the Code of Conduct.

To ensure good business ethics, and compliance with laws, regulations and Orexo’s values, all board members, personnel and temporary staff are required to read and understand Orexo’s Code of Conduct. In Sweden this is done at least biannually by reviewing and reaffirming their understanding and compliance with the Business Compliance and Ethics Code. Correspondingly in the US, the US Code of Business Conduct and Ethics is reviewed and reaffirmed annually.

Supporting Orexo’s Code of Conduct there is a Comprehensive Compliance Program. This consists of policies and procedures structured to mitigate the legal, regulatory and ethical risks associated with research and development, quality control and the US commercial pharmaceutical operations.

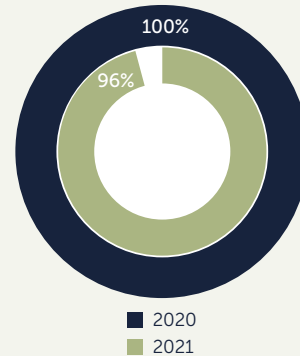
Orexo’s management systems assist personnel in accessing and tracking the policies and procedures relevant to their role. Policies and procedures are reviewed on an on-going basis as business needs evolve and at least once every two years. All new employees receive comprehensive introductory training including the Orexo Code of Conduct, role-specific compliance requirements, and the Safety, Health and Environment framework.



<sup>1</sup> A number of recognized ethical principles for medical research involving humans, developed by the World Medical Association (WMA).



### Implementation of Code of Conduct



All data can be found in the Sustainability Data Summary.

### Whistleblower system where everyone can make their voice heard

Orexo must be a transparent, healthy and open organization that complies with laws, regulations and the company's Code of Conduct. The Code of Conduct urges individuals to pay attention to and report suspected business ethics violations or unethical conduct, without retaliation or any threat of retaliation.

If someone suspects that a serious violation has occurred, it is important that this is reported and that the reporting can be done anonymously. In 2021, a new process and tool for anonymous reporting, WhistleB, was introduced for the Swedish operations. In the US, the whistle blower system, Ethics Point, has been in use since many years. In 2021, no reports were made.

### Marketing and sales

For businesses within the healthcare sector, one recognized risk is unethical business and compliance violations in interactions with healthcare professionals, healthcare organizations and government officials. Orexo's Code of Conduct therefore sets requirements and expectations and supports employees in their daily work.

Orexo has its main market in the USA, where the subsidiary Orexo US, Inc. is responsible for product commercialization. The subsidiary operates in accordance with laws and regulations established at the federal and state levels. The guidelines, collectively referred to as "US Comprehensive Compliance Policies", describe accepted marketing practices and activities related to drug sales, including the reporting of marketing expenses and interaction with

government authorities and healthcare representatives. All employees in the US are trained in these, both through teacher-led training and virtual training.

All new sales representatives receive specific training held at the Orexo office in New Jersey. The training lasts for a week covering sales and product training as well as all promotional policies, federal laws and regulations related to pharmaceutical sales and ethics, and their role as a sales representative, including interacting with physicians. At the end of the training, everyone takes a test to show that they have understood the material and the expectations and requirements. After this, there are periodic reminders and refreshers, during which sales representatives are given opportunities to discuss examples of field interactions in the context of compliance requirements to test the policy content, in addition to regular requests to read and acknowledge understanding of the policies and procedures. During 2021, eight new sales representatives were trained and 100 percent of read and acknowledged requests were completed within the allotted 30 days. In addition, during 2021, the entire sales team was trained in preparation for the MODIA™ launch, including an in-person compliance module.

### Subpoena

On June 14, 2020, Orexo US, Inc. received a subpoena requesting the provision of certain information to US authorities linked to ZUBSOLV® and other buprenorphine products. Orexo has no knowledge of the reason for this subpoena. Orexo has engaged legal counsel to assist in the event of further requests for information or other activities related to this. No further information was received in 2021.

# Innovation and partnership

Orexo's sustainable development is based on innovations made possible by the interaction between skilled researchers and experts with different scientific backgrounds. Innovation is at the core of the continued development of new formulation technologies and early development projects, enabling us to offer better medicines to patients globally. We recognize the importance of access to good healthcare and we are working closely with a number of partners to enable our drugs and digital therapies to reach more patients.

**Our ambition is to become a leading player within the large and growing space of mental illness and substance use disorders and to improve access to treatment.**

## Important questions

- New innovations to prevent and treat substance use disorders and mental illness.
- Establishing partnerships to develop and increase access to treatment.
- Continuing collaborations with universities to strengthen pharmaceutical development.

## Highlights 2021

- Pivotal trials for OX124 completed with positive results – a drug that will help reversing overdoses caused by synthetic opioids.
- New drug delivery platform amorphOX™ giving new possibilities for new drug development.
- Completion of EU ZUBSOLV® supply chain and approval for launch in H1 2022.

Innovation is at the core of Orexo's business and drives our ambition of becoming a leading player in the treatment of mental illness and substance use disorders. To alleviate suffering and improve people's quality of life, equitable access to treatment is critical. To lead the way through offering novel and improved treatments, Orexo has been investing in several areas. These include the pipeline of pharmaceutical candidates, a new business area - digital therapeutics, and in university research projects. On the market Orexo is working with various players, such as lobbyists, authorities, policy makers, universities and industrial organizations, to increase access to treatment as well as to create awareness and knowledge about digital therapies that have the potential to give access to therapeutic support. The relationships and knowledge from these collaborations add great value to our research and development of future innovations and new products. We also work to reach more patients through partnerships, collaborations and financial assistance programs.

## Innovations for improved treatment and reduced environmental impact

Overdoses from opioid misuse continue to cause many deaths. During 2021, Orexo continued to focus on the development project OX124. The OX124 product is based on Orexo's new drug delivery platform amorphOX™ and is designed to counteract overdoses caused by the most powerful synthetic opioids that is currently behind the vast majority of overdose fatalities in the US. The pivotal trial, completed in 2021, showed strong clinical data (see page 23).

As described on page 18, Orexo has developed the new drug delivery platform amorphOX™. This platform offers new opportunities to develop drugs with good chemical and physical stability which dissolve rapidly in small amounts of liquid. The delivery platform works for a broad scope of different active ingredients and its properties make it ideal for the development of emergency drugs. We also see



opportunities for environmental benefits having a platform which supports the development of pharmaceutical products with a longer shelf life.

Orexo's new pharmaceutical candidate OX640, a nasal adrenaline product for the emergency treatment of allergic reactions, is also based on the amorphOX™ platform. Adrenaline is a very unstable active ingredient sensitive to chemical degradation and today's commercially available adrenaline products have a limited shelf life. OX640 shows promising chemical and physical stability data and could provide a needle-free alternative with greater flexibility in its handling and storage. Further, OX640 does not contain any preservatives which are common among today's treatment solutions and can trigger allergic reactions.

### University collaborations

Orexo participates in SweDeliver, an interdisciplinary collaboration between academia and industry, founded in 2020 with financial support from Vinnova, Sweden's innovation agency. The Faculty of Pharmacy at Uppsala University is the academic hub of the center. The scientific focus is on important research challenges in parenteral, oral and pulmonary drug delivery. In addition to this, young researchers are given the opportunity for education and career development. The goal of the center is for research to lead to the development of new and improved drug treatments. Orexo provides financial support, scientific expertise, an industrial perspective, and mentorship to young researchers. In 2021, SweDeliver launched a new initiative where motivated students

were offered the opportunity to pursue a six-week research project at an industrial partner. Orexo had one of the six internship openings and during the summer of 2021 we had a student adding value to one of our important research projects.

In addition to the specific internship program, Orexo continuously provides university students with thesis project opportunities. In 2021, we had one student working with us. In addition, we have study visits from the university and we are also invited to give lectures as part of university courses. These collaborations aim to strengthen the development of future pharmaceutical researchers.

### Increased access to ZUBSOLV®

Helping to remove financial barriers that impede access to our products remains a priority. To enable greater access to ZUBSOLV®, we are currently running two programs that help to reduce out-of-pocket costs. The ZUBSOLV® Co-pay assistance program saves patients significant amounts of out-of-pocket costs when they pick up their ZUBSOLV® prescription and use the co-pay card. The ZUBSOLV® 15 tablet voucher program provides up to two free 15 tablet vouchers (30 tablets in total). Additionally, the ZUBSOLV® Patient Assistance Program provides free products to those patients that meet the US poverty level requirements.

These programs were launched in 2013 and have provided financial assistance to many patients. In 2021, 145 patients received help through the ZUBSOLV® Patient Assistance Program, while more than 81,000 co-pay cards and



5,300 tablet vouchers were redeemed. There has been a reduction in the programs over the last years and this is explained by the erosion of Orexo’s market share to generics, the loss of contract exclusivity with one of our key insurance plans and the sales representatives reduced ability to make in-person sales calls due to shutdowns during the pandemic.

In 2020, Orexo entered into a licensing and delivery agreement with Accord Healthcare to make ZUBSOLV® available on the European market. There are estimated to be 1.3 million high-risk opioid users in Europe<sup>1</sup>, yet treatment rates are low. Only around 50 percent of people with opioid dependence are receiving some form of substitution treatment across Europe, although this varies greatly between countries.<sup>2</sup>

In 2021, all the permissions and equipment were finalized for the supply chain in Europe, preparing for launch in H1 2022. Orexo is responsible for product supply and Accord Healthcare has in-licensed the rights from Orexo. With the commercialization in Europe, people in up to 29 additional countries will have access to ZUBSOLV®.

**The need for therapeutic support**

To address the lack of psychosocial counseling in the treatment of opioid-dependent patients, Orexo entered a partnership with GAIA in 2019 to develop a digital therapy for opioid use disorder, MODIA™. In addition to MODIA™, Orexo acquired the evidence-based digital therapies vorvida® (for problematic drinking) and deprexis® (for depression) in 2019 and 2020 respectively. During the pandemic,

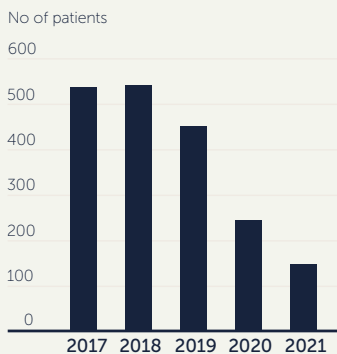
mental illness and substance use disorders have increased substantially. Orexo is working to increase awareness and knowledge about our new, pioneering treatments and is collaborating with various players to open up viable reimbursement routes, which are critical giving more patients access to the right treatment.

In 2021, Orexo continued to donate vorvida® and deprexis® to front-line healthcare professionals. Through our partnerships with the Texas Nurses Association<sup>3</sup> and Trinity Health in North Dakota<sup>4</sup>, we provided all partner employees access to deprexis® and vorvida® free of charge. The use of these therapies is voluntary and completely anonymous. To date, 190 unique logins have been distributed to staff as part of these programs. In addition, we initiated a program with St. Louis University School of Medicine in November 2021, to provide front line workers, including all interns, residents and fellows with free access to deprexis® and vorvida® .

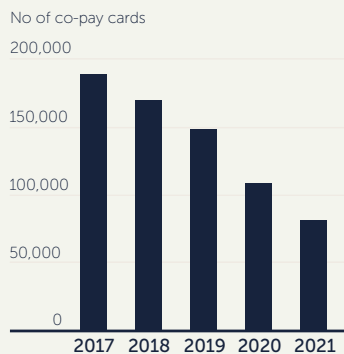
In addition to external partnerships, we continued to provide all our employees and their families with access to our digital therapies free of charge.

**ZUBSOLV® patient programs**

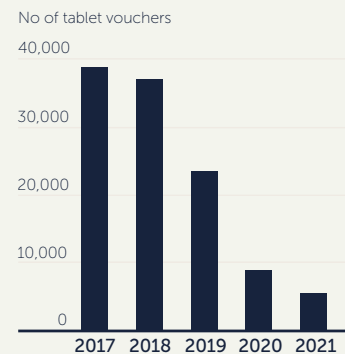
**Patient assistant program**



**Co-pay assistance program**



**Tablet voucher program**



All data can be found in the Sustainability Data Summary

<sup>1</sup> European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)

<sup>2</sup> EMCDDA – Tackling Opioid Dependence

<sup>3</sup> <https://www.texasnurses.org/news/544391/Deprexis-Free-Digital-Therapy-for-Nurses.htm>

<sup>4</sup> <https://www.trinityhealth.org/digital-therapies-help-frontline-workers-cope-2/>

# Sustainable people

Our people are our strength. We value one another's contributions and understand that our joint efforts are the key to our success. Our workplaces must be safe and healthy environments where every employee feels respected and has the same opportunities. We believe in an open-minded culture that sparks creativity and new ideas.

**Our ambition is to offer a safe and healthy workplace where everyone feels valued and respected.**

## Important questions

- Good health and well-being for our employees and a safe working environment.
- An equal and non-discriminatory work culture.

## Highlights 2021

- High scores in employee satisfaction regardless of the pandemic.
- Cooperation with IMR in Sweden and a wellness program in the US to promote work out.
- No major incidents or accidents.
- No unreasonable pay differences in salary survey.
- Development of a more flexible working solutions for a better work-life-balance.

Our success is based on our commitment to the well-being of every employee. We have employee recognition programs and encourage everyone to acknowledge their colleagues' contributions. Attracting and keeping the best individuals means offering them mutually respectful workplaces where people are valued for who they are as well as their professional capabilities. Orexo enables new ideas and creativity through cross-functional cooperation. To encourage learning and new thinking we have individual development programs for our employees and funds earmarked for training. We also try to encourage our employees to make suggestions to improve processes and innovations.

The importance of wellness and health is governed by the company's overall Code of Conduct. In connection to this there are policies and procedures structured to mitigate the risks associated with the work environment. This includes governance of safety, health, recruitment, equal treatment, gender equality, discrimination and conflicts of interest as well as health insurance and other employment benefits.

### Safety and health of our employees

Annual health and safety targets and activities are based on risk assessments and specific issues raised in the organization, such as employee surveys. The greatest risks identified are linked to mental health, due to a high workload, but there are also risks linked to the handling of active pharmaceutical

ingredients and other hazardous substances. The handling of hazardous substances are well mitigated through risk assessments and routines. A key factor to promote physical and mental wellbeing is daily physical exercise. To encourage this, we have had a collaboration with IMR, the Institute for People in Motion, during the year where all our employees in Sweden have worked on their own health journey. Similarly in the US, we offer our employees wellness benefits, one of which is a paid subscription to a wellness program which offers virtual fitness classes in addition to mental health and other employee support resources. The company also offers an Employee Assistance Program (EAP) to support employees with issues impacting mental and emotional well-being. For our field-based salesforce in the US, driving is considered a significant risk, and one important activity during the year has been to update the fleet cars to safer vehicles. Overall, no major incidents or accidents happened connected to Orexo's operations in Sweden and US during 2021. No major incidents or accidents has occurred the last 5 years.

To ensure we continuously improve the work environment, Orexo in Sweden are using monthly surveys to monitor the well-being of employees with questions regarding their work situation, well-being, communication and participation. These surveys measure the situation for each department and group and can assist managers with creating and engaging in dialogue with individuals and teams.

Furthermore, to investigate the overall work situation for our employees we conduct an annual employee survey<sup>1</sup>. The results are followed up and evaluated by management but are primarily used as a tool at the group and department level to take concrete actions to improve the work environment. In 2021, we were happy to see that more than 4 out of 5 employees reported satisfaction with working at Orexo.

During 2021, the second year of the Covid-19 pandemic, Orexo continued to have different measures in place to reduce the spread of infection. Our sales representatives have adapted a hybrid sales model, visiting healthcare professional offices in person when they can and conducting some calls virtually if needed, depending on the state and local restrictions. We have continued to provide Personal Protective Equipment to all our employees to maintain safety and protection from Covid-19 in the workplace. Working remotely has continued to be the way of working for many employees both in Sweden and the US. While the pandemic has been challenging, we are glad the employee survey shows good results regarding psychosocial health. Employees have indicated that they feel their job provides them with a great deal of meaning and purpose and that they truly enjoy the people and teams they work with. Areas in the

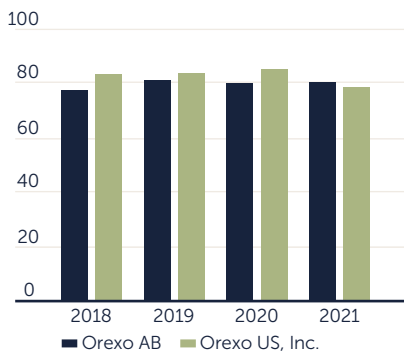
annual employee survey that need further development throughout 2022 are goal orientation in Sweden and professional development in the US.

**Diversity and gender equality**

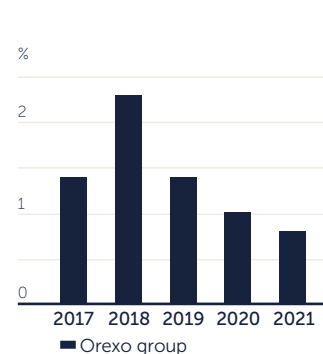
We are convinced that employees of different ages, genders, backgrounds, and experiences contribute to new thinking and innovative solutions. Diversity and gender equality are therefore important for us to achieve our goals and ambitions. Orexo is committed to diversity in hiring and conducts diversity training to ensure the organization’s employment practices are in line with these objectives.

To further our work with equal rights and opportunities, we have a plan in Sweden with different focus areas. One focus area is work-life balance and one action during the year was to create a more flexible solution for when employees need to be at the office. Another focus is equal pay and every year in Sweden we conduct a salary survey. This year’s survey discovered no unreasonable salary differences. In 2022, we will continue to work on the plan. In the US, our focus is more on training our employees to avoid discrimination and harassment.

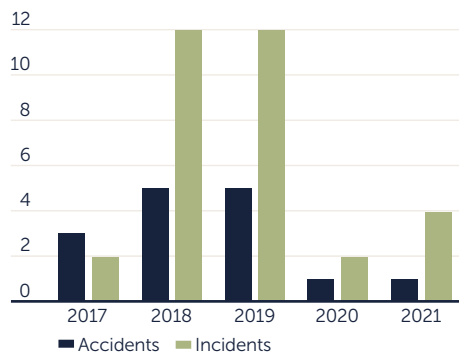
**Employee satisfaction (%)**



**Absence due to illness (%)**

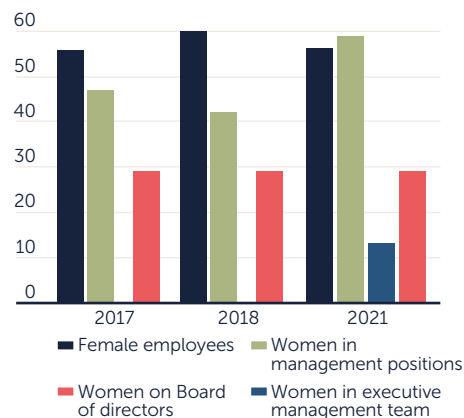


**Accidents and incidents (rate)**



No major accidents or incidents have occurred 2017–2021.

**Women in management position (%)**



<sup>1</sup> Springlife employee survey Orexo AB, DecisionWise Orexo US, Inc.

All data can be found in the Sustainability Data Summary.

# Sustainable supply chain

As we have a largely outsourced supply chain, we rely on these partners to produce, pack and supply our products to the market. We have great confidence in our suppliers, but we are still accountable for understanding the impact of our supply chain and to ensure it is sustainable.

**Our ambition is to ensure good management of social, ethical and environmental impacts throughout the supply chain.**

## Important questions

- Sustainable procurement to ensure decisions and relationships reflect company values.
- Responsibility throughout our supply chain to ensure sustainability in all production steps.

## Highlights 2021

- Further development of the Code of Conduct for Suppliers.
- Improvement of the responsible sourcing program with clear and improved requirements for suppliers.
- All important Tier A & Tier B suppliers evaluated. In 2021, Orexo began the process of re-evaluating suppliers.

Working towards a sustainable supply chain means that purchasing decisions and relationships that are formed must align with the company's principles and values for business ethics, work environment, human rights and the environment.

There are risks around several aspects of our suppliers. Although Orexo's direct suppliers are located in countries with strong environmental, health, safety and labour legislation, there are risks connected to these aspects. Subcontractors<sup>1</sup> may be found in many different parts of the world and it is therefore important to ensure that all direct suppliers have good governance and processes. Orexo is committed to complying with the UN Guiding Principles on Business and Human Rights, and it is along the supply chain that we see the greatest risks linked to human rights.

It is the ambition of Orexo to prevent, remedy and improve sustainability work throughout the supply chain. It is by putting requirements on direct suppliers and building their awareness of sustainability issues, and their role, that we jointly contribute to sustainable development.

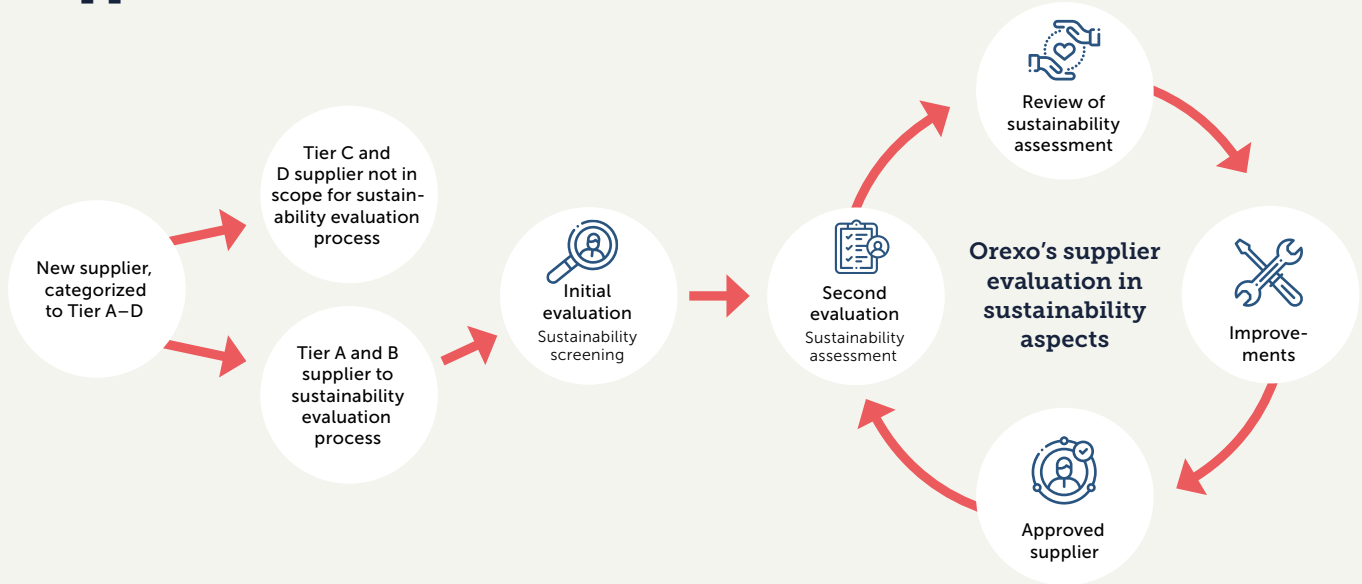
## Governance and guidelines

During 2021 we improved our Responsible Sourcing Program to ensure our Supplier Code of Conduct (SCoC) is implemented throughout the supply chain. In addition, our SCoC was reviewed and updated to further clarify our expectations. It sets out minimum requirements for suppliers, including legal compliance, human rights, business ethics, safety, health and environmental expectations. To monitor and improve compliance with the SCoC, our processes and approaches aim to ensure risks regarding patient safety, product quality and sustainability are acceptable. These processes and approaches also ensure that applicable commercial aspects, such as security, financial stability and other commercial risks in the supply chain are adequately investigated.

Through the supplier evaluation process, Orexo evaluates sustainability aspects of strategically important suppliers. All suppliers are divided into Tiers A-D, where Tier A are the strategically most important. Tier A suppliers include raw materials suppliers and contracted manufacturers

<sup>1</sup> Delivering chemicals and intermediates to our suppliers for the Orexo production

## Supplier evaluation

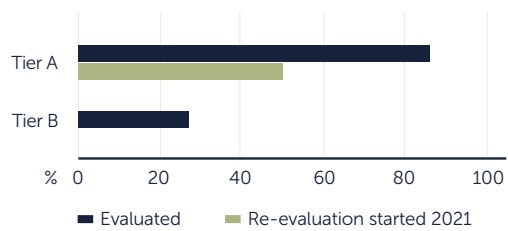


(API-production, formulation, packaging and distribution) of products on the market. Tier B-suppliers are other strategically important suppliers, such as suppliers to development projects or suppliers of systems. Tiers C and D are not prioritized for evaluation. The supplier evaluation covers legal compliance, as well as compliance with human rights, business ethics, safety, health and environmental impact. It is carried out through evaluation forms, supplier interviews and, if necessary, site visits. Supplier sustainability status is continuously monitored through supplier management.

All Tier A suppliers and many important Tier B suppliers are evaluated. With clear and improved requirements Orexo also started the process to re-evaluate all Tier A and important Tier B suppliers. In the beginning of 2022, we plan to include re-evaluation of all Tier A and previously evaluated Tier B suppliers, including additional Tier B suppliers.

Further, in 2021 we developed a screening checklist to be used early in development projects to make a first evaluation of suppliers. This is to show the suppliers the importance of having sound and systematic sustainability work and to help us with decision making.

### Evaluation of suppliers



All data can be found in the Sustainability Data Summary

# Environment and climate change

A sustainable future requires joint responsibility for the environment. All human activity depends on ecosystems and their services, such as access to clean air, clean water, and natural resources. Climate change affects both the ecosystems and people's health. Action is urgently needed! To contribute to a more sustainable world, Orexo conducts activities that reduce our impact on climate change and improve our resource efficiencies.

**Our ambition is to operate efficiently and to reduce the climate and the environmental impact of all activities.**

## Important questions

- Reduction of greenhouse gas emissions.
- Improve our resource usage and reduce amounts of waste.

## Highlights 2021

- Improved cooperation for energy efficiency, with "green agreements" and ENERGY STAR certificate, with our property owners.
- Improved use of digital working methods and increased awareness of travel habits to maintain new ways of working and reduce flight travel.
- Improved efficiency of waste sorting and campaigns with less printed material.

The overall environmental work at Orexo is governed by the company's environmental policy and guidelines. An environmental action plan is set annually, based on the overall sustainability goals. The most significant environmental aspects for Orexo are waste and CO<sub>2</sub> emissions.

Orexo's manufacturing of products, packing and supply to market are performed by contracted manufacturers. We have not yet quantified the total environmental impact of our supply chain. However, we believe that it is in the supply chain that we find our most significant environmental impacts. We are convinced that through reviewing and putting requirements on our suppliers, we can make environmental improvements. Our work for better supplier sustainability is described earlier in this report.

Despite having an outsourced supply chain, we see the importance of reducing our direct environmental impact from our operations in Sweden and the US.

In 2021, our goals have been to continue collecting data to identify which key performance indicators are most important. This work will continue in 2022.

## Climate impact

Orexo's direct carbon emissions mainly relates to travel and energy usage. The R&D facilities and offices are rented and shared with other tenants. We have a "green agreement" with the property owner for the Swedish facilities. This sets out an expectation of cooperation to reduce the environmental footprint through joint work. The majority of the reported energy usage (heating, cooling and electricity) is calculated based on the size of the used premises. In the absence of individual measurements, it is not possible to see direct effects of energy reduction measures taken by any single tenant. For selected equipment, individual measurements of electricity consumption are done and in cooperation with the landlord we aim to introduce additional individual measurements on our equipment. Currently, the premises are heated with climate compensated district heating and cooled with district cooling and the electricity purchased is from renewable resources. In cooperation with the landlord, our goal is to find opportunities to reduce the overall consumption through improvements in our facilities.

The offices in the US are ENERGY STAR certificated, a third-party reviewed certification that ensure that the building is energy efficient.

Orexo's main commercial market is in the US. The contracted manufacturers for ZUBSOLV® and several of the raw material suppliers are based in the US, as well as our own sales and marketing organization. This has historically necessitated a certain amount of business travel between the US and Sweden which changed drastically during 2020 and 2021, mainly due to Covid-19. While we see the need for travel continuing in the future, we are refining our use of digital working methods and strengthening our assessments to determine the necessity of any travel requirements.

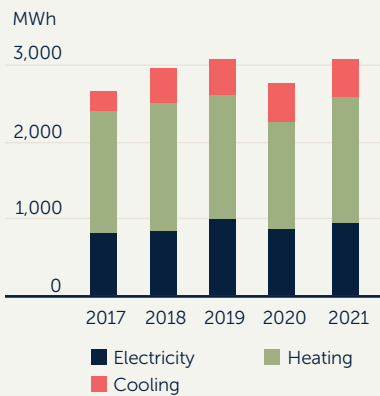
**Waste and recycling**

The ambition for waste is to reuse and recycle in favor of waste for incineration (with energy recovery). In our R&D facilities and offices in Sweden we have not identified any waste stream where a single effort would lead to a sub-

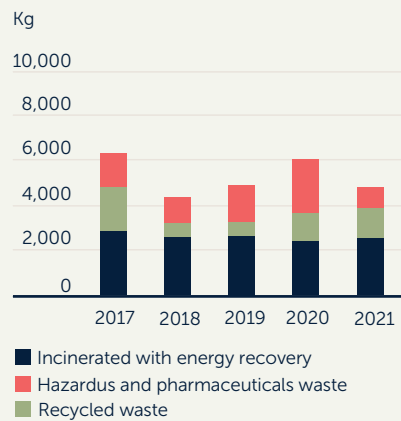
stantial reduction of waste to incineration or landfill. An ongoing dialogue with the waste vendor aims to give us access to improved statistics and analysis of our mixed waste for incineration. During 2021, we got access to better statistics, however, an analysis of the mixed waste still needs to be completed. Further, in 2021 we improved our waste sorting possibilities in the common areas and updated information on correct sorting. In the US, printed material is identified as the single biggest waste contribution and we work to reduce this by introducing digital information materials.

Further, better resource handling at our contract manufacturers is part of our supplier evaluation program.

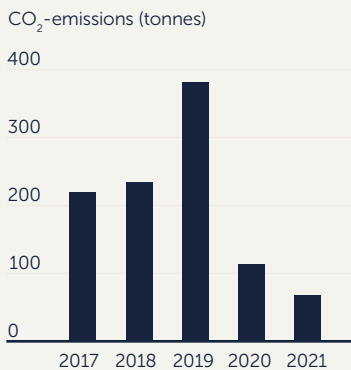
**Energy<sup>1</sup>**



**Waste<sup>1</sup>**



**Flight travel<sup>2</sup>**



All data can be found in the Sustainability Data Summary.  
<sup>1</sup> Data cover Orexo AB  
<sup>2</sup> Data cover Orexo AB 2017–2018 and Orexo group from 2019

# Sustainability data summary

## Responsible Business

	2017			2018			2019			2020			2021		
	Orexo AB	Orexo US, Inc.	Orexo group	Orexo AB	Orexo US, Inc.	Orexo group	Orexo AB	Orexo US, Inc.	Orexo group	Orexo AB	Orexo US, Inc.	Orexo group	Orexo AB	Orexo US, Inc.	Orexo group
Completed Code of Conduct %	81	100	89	85	100	94	83	100	93	100	100	100	94	100	96

## Sustainable people

	2017			2018			2019			2020			2021		
	Orexo AB	Orexo US, Inc.	Orexo group	Orexo AB	Orexo US, Inc.	Orexo group	Orexo AB	Orexo US, Inc.	Orexo group	Orexo AB	Orexo US, Inc.	Orexo group	Orexo AB	Orexo US, Inc.	Orexo group
<b>Employment</b>															
Number of employees	53	37	90	55	74	129	54	73	127	53	85	138	54	67	121
employees with permanent contract %	98	100	99	98	100	99	100	100	100	98	100	99	96	100	98
employees with temporary contract %	2	0	1	2	0	1	0	0	0	2	0	1	4	0	2
Staff turnover %	-	-	-	9	-	-	17	-	-	<1	-	-	11	-	-
Number of employees + consultants	59	73	132	63	77	140	64	79	143	79	89	168	72	73	145
Consultants %	10	49	32	13	4	8	15	8	11	33	4	18	25	8	17
<b>Gender equality</b>															
Female employees %	51	62	56	55	64	60	54	47	50	55	62	59	57	57	56
women in management positions %	44	50	47	33	50	42	38	50	44	33	54	43	44	75	59
women in exec. management team %	-	-	0	-	-	0	-	-	13	-	-	13	-	-	13
Women on board of directors %	-	-	29	-	-	29	-	-	29	-	-	38	-	-	29
<b>Health</b>															
Employee satisfaction index %	-	-	-	78	83	-	81	83	-	80	85	-	80	79	-
Employee absence due to illness %	2.2	0.2	1.4	3.9	1.1	2.3	1.7	1.2	1.4	1.8	0.5	1.0	0.9	0.7	0.8

Data cover Orexo group.

## Safety

	2017	2018	2019	2020	2021
Major accidents	0	0	0	0	0
Accidents	3	5	5	1	1
Major incidents	0	0	0	0	0
Incidents	2	12	12	2	4

Data cover Orexo AB.

## Innovation and partnership

Improved access to ZUBSOLV®	2017	2018	2019	2020	2021
ZUBSOLV® Patient assistant program (number of patients)	539	542	451	243	145
ZUBSOLV® Co-pay assistance program (number of co-pay cards)	189,217	170,232	150,452	108,826	81,225
ZUBSOLV® Tablet voucher program (number of tablet vouchers)	38,756	36,957	23,420	8,957	5,325

Data cover Orexo group.



## Environment and climate change

Energy	2017	2018	2019	2020	2021
Electricity (MWh)	805	830	989	856	938
Heat (MWh)	1,603	1,682	1,628	1,434	1,673
Cooling (MWh)	268	449	464	506	493
Total energy usage (MWh)	2,676	2,960	3,081	2,795	3,104
<b>Waste</b>					
Incinerated with energy recovery (tonnes)	2,850	2,588	2,650	2,400	2,550
Recycled waste (tonnes)	2,001	651	615	1,259	1,333
Hazardous and pharma waste (tonnes)	1,519	1,160	1,641	2,424	976
Total waste (tonnes)	6,370	4,399	4,906	6,083	4,859
Recycled/(recycled+energy recovery) (%)	41	20	19	34	34

Data cover Orexo group.

Flight travel	2017		2018		2019		2020		2021	
	Sweden	US	Sweden	US	Sweden	US	Sweden	US	Sweden	US
CO <sub>2</sub> emissions (tonnes)	219	234	380	114	68	100	80	34	35	33

Data cover Orexo AB 2017–2018 and Orexo group from 2019.

## Sustainable supply chain

Supplier evaluation	Tier A supplier	Tier B supplier
Number of suppliers in scope	7	23
Evaluated 2021 %	86	27
Re-evaluation started 2021 %	50	0

Data cover Orexo group.

## UN Global Compact

### Human rights

**Principle 1** 38–39, 45–46 Businesses should support and respect the protection of internationally proclaimed human rights and.

**Principle 2** 38–39, 45–46 Make sure that they are not complicit in human rights abuses.

### Labour

**Principle 3** 38–39, 45–46 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4** 38–39, 45–46 The elimination of all forms of forced and compulsory labour.

**Principle 5** 38–39, 45–46 The effective abolition of child labour.

**Principle 6** 38–39, 43–46 The elimination of discrimination in respect of employment and occupation.

### Environment

**Principle 7** 38–39, 47–48 Businesses should support a precautionary approach to environmental challenges.

**Principle 8** 38–39, 47–48 Undertake initiatives to promote greater environmental responsibility.

**Principle 9** 38–39, 47–48 Encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

**Principle 10** 38–39 Businesses should work against corruption in all its forms, including extortion and bribery.

# Auditor's opinion

**To the general meeting of  
the shareholders of Orexo AB,  
corporate identity number 556500-0600**

## **Engagement and responsibility**

It is the board of directors who is responsible for the statutory sustainability statement for the year 2021 on pages 34–50 and that it has been prepared in accordance with the Annual Accounts Act.

## **The scope of the audit**

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the corporate governance

statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## **Opinions**

A statutory sustainability statement has been prepared.

Stockholm, March 30 2022

Ernst & Young AB.

Anna Svanberg

Authorized Public Accountant.