

WE BELIEVE IN WHAT WE DO

HRAPharma

UN GLOBAL COMPACT

Communication On Progress Report

2013



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EXECUTIVE STATEMENT



Supporting the UN Global Compact reflects HRA Pharma's long-standing commitment to sustainability and responsible business practice.

By joining the UN Global Compact, HRA PHARMA committed itself to respecting the ten founding principles of the organization, grouped into 4 fundamental themes: respect for human rights, working conditions, the environment and the anti-corruption struggle.

HRA Pharma signed the UN Global Compact in October 2012 with the objective to instill its principles into our company's strategy, culture, and operations. In the coming years we intend to advance our engagement by fully incorporating its founding principles as part of our day-to-day operations.

Ambitious and requiring strong leadership commitment, transparency and open communication, we consider our membership as a valuable source of inspiration in our work on integrating and advancing sustainable and responsible development into our business activities.

In this report, we aim to communicate, in a transparent way, our progress in the areas of human rights, labour, the environment and anti-corruption. Our objective is to provide you with updated and accurate information about initiatives and accomplishments taken by our company to implement the Global Compact principles in each of the four issues areas.

Erin GAINER
CEO of HRA Pharma

COMPANY PROFILE

ABOUT HRA PHARMA

HRA Pharma is a private pharmaceutical company that develops drugs, medical devices and services for women's health and endocrinology, and then makes them available to patients throughout the world. With its head office based in Paris and its 5 operating subsidiaries in Germany, Spain, Italy, France and Great Britain, the company posted sales of €54 M in 2012, exports to more than 60 countries in the world, and has 125 employees.

In targeting the niche markets and with respect to made-to-order solutions, HRA Pharma's goal is to offer innovative products meeting therapeutic needs that are of major importance but are not covered or only poorly covered by the players already present on the market. This approach enables the company to make the most appropriate response to its patients' therapeutic needs.

HRA Pharma differs from others by combining its health mission with a social approach, making it possible to guarantee accessibility to its products throughout the world. Making its products available and accessible to all was the commitment made by the HRA Pharma at the time of its creation. In that connection, the company has made significant efforts to establish lasting partnership relationships with the authorities and local organizations, as well as with the international organizations involved in aid, awareness efforts and health training. The company takes part regularly in actions aimed at promoting education and access for the underprivileged to contraception. HRA Pharma's ability to design and properly implement such collaborative efforts represents real know-how that few players have been able to master as of now.

The products that we develop and distribute in an ever increasing number of the countries (now 65) enable women to control their reproductive life as they wish, and in that sense our task contributes to greater freedom of choice and hence is in line with the principles of women's and men's rights. Our policy is aimed at making our products available in the largest possible number of countries, under conditions making it possible to facilitate access to them. To do this, the company relies on numerous partnerships, ranging from research entities to chemical and pharmaceutical manufacturers and local laboratories in a certain number of countries throughout the world.

The Global Compact, launched in 2000 under the aegis of the United Nations, urges companies and other entities to support the United Nations' objectives and to apply, within their spheres of influence, ten principles in the fields of human rights, working standards and the environment, and in connection with the anti-corruption struggle.

As a member of the Global Compact, HRA Pharma contributes to observance of these principles by placing responsible growth at the heart of its trades and activities. In the coming years, HRA Pharma will pursue its growth ambition while fully incorporating the ten principles of the Global Compact for sustainable and responsible development.

THE HRA PHARMA FOUNDATION



Very early in its development, HRA Pharma took part in a range of actions and programs aimed to promote education on contraception and facilitate access to products in the most remote and poorest parts of the world.

In 2012, the company established the HRA Pharma Foundation, a company's foundation which mission is to fostering access to reproductive healthcare, education and the arts for women across the world.

Today, thousands of women benefit from the multiple initiatives we have launched with HRA Pharma and the HRA Pharma Foundation all around the World. The programs we support aim to increase access to relevant information, services and opportunities for girls and women across the world. The foundation works in conjunction with a wide range of local and international organizations, to support women's empowerment around the globe.

Since 2011, 13 projects in 11 countries have been initiated by the Foundation. These projects include

- Financial support for the construction of a kindergarten and a maternity center;
- Development and implementation of education resources aimed at providing young people with accurate sexual health information in an accessible way.
- Professional training programs for young women living in slums

Additionally, the HRA Pharma Foundation is a member of Women Deliver- a global advocacy organization that works to generate political commitment and financial investment for fulfilling Millennium Development Goal 5—reducing maternal mortality and achieving universal access to reproductive health.

COMMUNITY INVOLVEMENT

We want to involve our employees in various activities on behalf of the community. Thus every year, about 10 to 15 % of the head office employees take part in Odyssea (<http://www.odyssea.info>) – a community-minded sports operation aimed at supporting research on breast cancer. HRA Pharma supports this initiative by actively encouraging its staff involvement and financing all the participation costs.

PRINCIPLES RELATIVE TO HUMAN RIGHTS

The first two principles of the UN Global Compact, which are derived from the Universal Declaration of Human Rights, are:

- Businesses should support and respect the protection of internationally proclaimed human rights; and
- Business should make sure that they are not complicit in human rights abuses.

OUR APPROACH

HRA Pharma is committed to upholding the principles of the Universal Declaration of Human Rights and the International Labor Organization (ILO). The company is strictly committed to practices relative to worker protection and those which prevent forced labor and child labor.

MEASURE ADOPTED IN 2013

HRA Pharma is an international specialty healthcare company dedicated to women's health, endocrinology and rare diseases with a long history of collaboration with partners in all phases of the product life cycle: from early development to commercialization.

The company is committed to making its medicines accessible everywhere across the world. This engagement implies strong partnerships with numerous suppliers and service providers to develop, manufacture and distribute our products throughout the world.

Following our engagement with the UN Global Compact, one of the leading measures for 2013 has been the systematic introduction of a new clause to all newly negotiated and/or renewed contracts. This clause informs the partner company about HRA Pharma's engagement with the UN Global Compact and requires from every partner to confirm its commitment to the essential principles stemming from the Global Compact.

Find below the said clause:

1- LABORATOIRE HRA PHARMA has been a participant in the United Nations Global Compact since October 1, 2012: The Global Compact and its principles are part of the strategy, culture and day-to-day operations of LABORATOIRE HRA PHARMA .

2- In the performance of this Agreement the Company/Supplier, agrees to comply with any and all applicable rules and regulations and the following Global Compact core values:

- [Human Rights](#)

[1](#): Businesses should support and respect the protection of internationally proclaimed human rights;

[2](#): make sure that they are not complicit in human rights abuses.

- [Labour](#)

[3](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

[4](#): the elimination of all forms of forced and compulsory labour;

[5](#): the effective abolition of child labour;

[6](#): the elimination of discrimination with respect to employment and occupation.

- [Environment](#)

[7](#): Businesses should support a precautionary approach to environmental challenges;

[8](#): undertake initiatives to promote greater environmental responsibility;

[9](#): encourage the development and diffusion of environmentally friendly technologies.

- [Anti-Corruption](#)

[10](#): Businesses should work against corruption in all its forms, including extortion and bribery.

3- The Company/Supplier shall ensure that any potential sub-contractor(s) will abide by all the provisions of this Agreement including, without limitation, the provisions of this section.

RESULTS

Since the introduction of the new clause in May 2013

- 6 contracts covering 4 countries have already been signed, and;
- 23 other contracts covering 47 countries have been submitted for signature.

PRINCIPLES RELATIVE TO WORKING CONDITIONS

Derived from the ILO Declaration on Fundamental Principles and Rights at Work, the Global Compact's labour principles are as follows:

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced and compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.

OUR APPROACH

HRA Pharma is committed to conducting its business in accordance with ethical standards and local labor laws of each country in which it does business.

HRA Pharma values multiculturalism and promotes diversity: The Company's 125 member staff have lived in 27 countries, includes 12 nationalities and speaks 14 languages.

Consistent with French legislation, HRA Pharma has committed itself to a discrimination-free workplace. For this reason, action plans relative to senior citizens' employment and professional equality between women and men have been developed.

MEASURE ADOPTED IN 2013

HRA Pharma aims to promote gender equality and women's empowerment in the workplace, marketplace and communities in which it operates.

In France, HRA Pharma's staff comes to about 100 collaborators, 75% of them are women.

HRA Pharma supports family and women-friendly policies as well as strategies to recruit, retain and provide career advancement opportunities for women.

The company successfully manages to retain women employees and better train and advance them to middle and senior management. Currently women represent above 50% of HRA Pharma managers and 50% of the Executive team.

In 2013, the company implemented a one-day-per-week telecommuting trial period. The purpose of this trial is to obtain telecommuters, managers and other employees' feedback as to the benefits and any challenges they are seeing regarding this practice. This first phase will allow the company to fine tune its telecommuting program to best suit everyone's needs.

RESULTS

As of the end of September 2013, 11 persons expressed their wish to test telecommuting and have been included in the trial.

A sum-up will be made at the end of 2013, making it possible to define HRA PHARMA's policy on telecommuting.

PRINCIPLES RELATIVE TO THE ENVIRONMENT

The three UN Global Compact's environment principles derived from the Rio Declaration on Environment and Development are as follows:

- Business should support a precautionary approach to environmental challenges;
- Undertake initiatives to promote greater environmental responsibility, and;
- Encourage the development and diffusion of environmentally friendly technologies.

OUR APPROACH

HRA Pharma recognizes the importance of protecting the environment and believes that a good business is also a responsible one. As a rapidly growing company, our objective in the coming years is to fully integrate environmental practices as part of our day-to-day activities.

The group has been committed to an environmental approach for a few years, by actively encouraging its staff in green initiatives such as recycling and reduction of CO2 emissions.

MEASURE ADOPTED IN 2013

In August 2013, HRA Pharma decided to take things a step further by creating and implementing the first corporate green plan. This plan focuses on "good office practices" and aims to address and tackle three main priorities, which are the following:

1. Waste reduction
2. Energy saving
3. CO2 reduction

Up to now, a green implementation team has been defined. This team performed an

inventory, set targets and started to work on a written strategy. Its objective is to get its green strategy finalized and validated by the Executive team at the end of 2013. Then, starting 2014, the team intends to deploy and implement the plan accordingly to schedules, report on results and communicate to the staff on an annual basis.

RESULTS

Thanks to the set of actions defined in our green plan, our objective is to greening our corporate environment through processes and practices that reduce waste, save energy and minimize CO2 emissions. The list of concrete steps and the first report on results will be part of our 2014 communication on progress.

PRINCIPLES RELATIVE TO THE ANTI-CORRUPTION STRUGGLE

The Global Compact Anti-Corruption principle is derived from the United Nations Convention against Corruption.

- Businesses should work against corruption in all its forms, including extortion and bribery

OUR APPROACH

In 2012, all of the management executives and employees who might be involved in negotiations with outside companies or institutions in the performance of their duties attended an anti-corruption training program (ELT Company), 23 persons in all.

Some European directives constitute some very precise regulation of the relationships between health professionals and the pharmaceutical industry. The law of 1993 bearing on various social measures (DMOS) governing relationships between pharmaceutical laboratories and professionals was supplemented by the Bertrand Law of May 21, 2013, and its application decrees.

MEASURE TAKEN IN 2013

As a first step, in the second half of 2013, we are proposing installation of an in-house charter laying down the rules on gifts and hospitality that might come up in connection with

each person's duties.

RESULTS

The results will be part of our 2014 communication.

CONCLUSION

In this first year of membership, the company's approach has concentrated first of all on a survey of all of the already existing policies that are in phase with the principles of the Global Compact and concerning reflection on deployment of those principles in greater depth throughout the organization. Because of the nature of its business approach, the laboratory relies on numerous partnerships, whether with clinical research entities, manufacturers of pharmaceutical products or local pharmaceutical laboratories in a certain number of countries.

The leading measure for this first year of membership for HRA Pharma is not limited to communication vis-a-vis our partners concerning our membership in the Global Compact. We have gone so far as to formalize the sharing of this commitment in the form of a contractual obligation. We have succeeded in implementing this clause in 6 contracts concerning partner companies that operate in 4 different countries, and another 23 contracts concerning 47 countries are already on the way. We intend in the future to continue to extend the breadth of our commitment to include all of our business partners, wherever they operate.