



# UN GLOBAL COMPACT

Communication On Progress Report

2014



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## EXECUTIVE STATEMENT



**The Global Compact and its principles are part of our strategy and our culture. They are embedded in all our day-to-day operations.**

HRA Pharma is a values-based company. Our values are shared beliefs that we hold deeply rooted. These values define our company's culture and govern the ways we operate.

In 2012, HRA Pharma was honored to join the United Nations Global Compact, the world's largest voluntary corporate responsibility initiative. With its emphasis on sustainability and responsible business practices, the United Nations Global Compact is embedded within our company values: Dream Dare Share.

DREAM is an essential value of HRA Pharma without which nothing new or innovative can emerge. Dream is above all our ability to constantly push the boundaries, to question the certainties. It is our desire to design new and intelligent solutions and deploy enthusiasm to develop them.

DARE is the ultimate manifestation of our willingness to constantly go beyond what is expected. DARE expresses the collective merging of ideas, talents and skills. By creating an innovative and exciting dynamic for all members of our company, Dare is the key to the sustainable growth of HRA Pharma

SHARE is a founding and lasting value of HRA Pharma. At the heart of the company since its beginnings, SHARE drives the way we design, manufacture and market our products. It inspires our behavior within the company, the way we work with our partners and the social and societal initiatives we support.

The success of HRA Pharma has been built on the application of these core values on a daily basis. We believe our values are directly aligned with the values set out in the Global Compact and absolutely essential for long-term sustainability. We continuously aim for HRA Pharma to be a committed and responsible company, everywhere we operate.

This is our second report to the UN Global Compact. This report describes our activities and progress in 2014 and provides an overview of what we have in mind for 2015.

We hope you will enjoy reading this report, and please engage with us, if you have questions or comments.

Erin GAINER  
CEO of HRA Pharma

## ABOUT HRA PHARMA

HRA Pharma is a private pharmaceutical company that develops innovative products in women's health and endocrinology, and makes them available to patients throughout the world. With its head office based in Paris, France, its direct local operations in 9 European countries (Belgium, France, Germany, Ireland, Italy, Portugal, Spain, Switzerland, United Kingdom) and a solid international presence through an extensive network of partners the company posted sales of €60 M in 2013, exports to more than 60 countries in the world, and has 130 employees.

By targeting niche markets with 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 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 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.

# PRINCIPLES RELATIVE TO HUMAN RIGHTS

*Businesses should support and respect the protection of internationally proclaimed human rights.*

*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.

Additionally, at HRA Pharma, we believe that access to essential reproductive medicines, accurate information and relevant health services are fundamental human rights all people should benefit from. 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.

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.

## MEASURES & RESULTS

Following our engagement with the UN Global Compact, HRA Pharma systematically introduces a clause to all newly negotiated and/or renewed contracts informing the partner companies about HRA Pharma's engagement with the UN Global Compact and requiring from every partner to confirm its commitment to the essential principles stemming from the Global Compact

Since our last COP, end of September 2013, 46 contracts with the new "UN Global Compact" clause have been signed.

In terms of our reproductive health and rights commitment HRA Pharma continues and expands its actions in favor of an enlarged accessibility to its contraceptive products to every woman worldwide. Our partnerships with governments, international organizations and nongovernmental development organizations help support and implement programs that improve access to and promote reproductive health products.

In 2013, HRA Pharma supplied nearly 700 000 units of emergency contraception pills at social price to international organizations (i.e. UNFPA, JSI, MEG). Emergency contraceptive pills were directly delivered to the local mission or through the supply of emergency kits to be sent when crisis strikes and family planning services are needed.

To know more about the reproductive health actions supported by HRA Pharma please refer to HRA Pharma Company Foundation Activity Report 2013.

<http://www.hra-pharma.com/userfiles/file/hra/HRA%20Pharma%20Foundation-%20Activity%20Report%202013.pdf>

Additionally, HRA Pharma aims to heighten the awareness and mobilize its staff around various women's issues.

- In 2014, the company organized its first Women's Week to celebrate women's achievements, explore women's issues and encourage dialogue about what it means to be a woman in today's world.
- Every year, about 10 to 15 % of the head office employees take part in Odyssey (<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.



## FUTURE FOCUS AREAS

In 2014/2015 we plan to implement our compliance program by including human rights, labor conditions, and occupational health and safety issues to our processes. Our existing suppliers will be evaluated in the area of human rights at time of contractualisation and later on challenged during our visits and quality audits.

# PRINCIPLES RELATIVE TO WORKING CONDITIONS

*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 operations in accordance with ethical standards and local labor laws of each country in which it does business. We highlighted in the COP last year that HRA Pharma successfully retains, trains and offers internal promotions to female employees.

## MEASURES & RESULTS

HRA Pharma is committed to providing to its employees a cooperative and productive work environment. The company focus its efforts on

### **1. Flexible work-life balance arrangements**

HRA Pharma continue to encourage flexible work arrangements such as part-time schedules and telecommuting. Currently 21% of HRA Pharma headquarters' employees benefits from one day per week telecommuting system (versus 14% last year) and 15% are on part time hours.

### **2. Programs and opportunities for leadership-development and career-development**

HRA Pharma actively supports internal mobility and advancement thanks to capability development, internal and external trainings and HR planning. Last year, more than 80% of HRA Pharma employees received professional training. Additionally, the company is committed to providing equal employment opportunity to all qualified employees and applicants via internal and external job applications.

### **3. Child Care initiative**

Since September 2014, HRA Pharma reserves slots at local day care centers. End September 2014, this applies to 5% of our France-based employees.

Additionally, the company is currently launching a new initiative. HRA Pharma offers vouchers that reduce costs for employees' child care services. A payment matching 75% of the face value of childcare vouchers will be granted to employees with at least one child under age of 3 years old. At launch, in October 2014, 10 % of France-based employees will benefit from this initiative.

Altogether 15% of our France-based employees receive support in finding child care facilities and funding child care expenses.

### **4. Work Environment**

HRA Pharma aims to create a happy, healthy and high performance workplace. The company has set up several stress reduction and workplace wellness initiatives.

#### **a) Employees Survey**

A company-wide survey on workplace stress and well-being was conducted in 2014. The result of this survey have been communicated to all employees, and an action plan including organisational, management and structural improvements has been developed.

#### **b) Access to stress reducing activities**

HRA Pharma sponsors stress management programs for employees. This year HRA Pharma sponsored a Mindfulness Based Stress Reduction training program. Mindfulness training helps employees focus their attention on the present moment, and involves stress reducing techniques such as meditation and deep breathing, exercise and cognitive behavioral approaches. HRA Pharma is the only company in France to offer a full 8-week intensive course in mindfulness meditation (MBSR) to all interested employees. To date, 16% of our employees completed the full program and 16% more will follow a new session in late 2014.



## FUTURE FOCUS AREAS

In 2014/2015, HRA Pharma will develop a “Life at Work” Charter – the purpose of this charter will be to provide a common framework for corporate practices and conduct.

# PRINCIPLES RELATIVE TO THE ENVIRONMENT

*Business should support a precautionary approach to environmental challenges.*

*Undertake initiatives to promote greater environmental responsibility.*

*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.

## MEASURES & RESULTS

Our corporate green plan aims to address three main priorities: energy saving, waste and CO2 reduction.

### 1. Energy saving

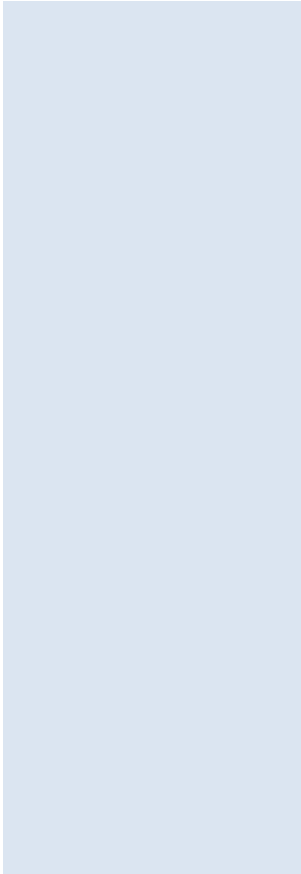
Green lighting - In 2014, HRA Pharma undertook a complete renovation of its headquarters. At this occasion, all the lightning equipment has been changed to reduce energy consumption.

« Green in IT » - HRA Pharma has migrated its existing physical server infrastructure to virtualized machines hosted in data centers. By switching to a data center, we were able to reduce the number of servers in use by 4. Thus, the company expects to reduce its server energy consumption and its carbon emissions.

### 2. • Waste reduction

Office furniture donation – Our headquarters' renovation included office furniture replacement. In order to reduce waste, we donation a portion of our former office furniture to start-up companies for reuse.

Recycling facilities - We provide recycling facilities in our offices. We discourage unnecessary printing and photocopying. All electronic equipment is recycled according to local legislation.



CO2 reduction – At HRA Pharma, we encourage the use of public transport. Additionally, allowing and encouraging employees to work remotely has reduced the amount of CO2 emitted due to employee commuting.

## FUTURE FOCUS AREAS

Next year, we will continue to develop environmentally conscious solutions.

- We plan to create an energy awareness campaign; with the objective to raise awareness amongst all staff of energy use and its implications.
- We intend to introduce videoconferencing and improve our remote work logistics solutions to aid remote collaboration between our headquarters and our affiliates and thereby cut down on travel.

# PRINCIPLES RELATIVE TO THE ANTI-CORRUPTION STRUGGLE

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

## OUR APPROACH

HRA Pharma is committed to conducting its business in accordance with international standards for business conduct and anti-corruption policies.

## MEASURES & RESULTS

Giving and/or receiving gifts and hospitality may help to strengthen commercial relations with the stakeholders in the business relationship. However, these practices may in some cases be seen as an unfair advantage and be the cause of an ethical breach, or even corruption.

This is why it is important to develop business relationships in accordance with applicable laws as well as our ethical principles. To this end, HRA Pharma has developed some governing principles and key points for gifts and hospitality.

In February 2014, these principles have been shared internally with the objective to guide our employees' behavior in their day-to-day activities with the various stakeholders in business relationships. See doc attached: *"HRA Pharma – Code of Business Ethics"*

## FUTURE FOCUS AREAS

To prevent, detect and respond to fraud HRA Pharma will implement spending controls including spending limits and documentation requirements in countries with a higher risk for corruption.

The list of concrete steps and the first report on results will be part of our 2015 communication on progress.

## CONCLUSION

HRA Pharma joined the United Nations Global Compact in 2012 and this is our second Communication on Progress, covering HRA Pharma's policies and measures with examples of actions undertaken since September 2013. HRA Pharma is committed to the Global Compact principles, and is working in many ways to make further progress. This Communication on Progress will not be printed in hard copy. It will be available to all through the UN Global Compact website and the HRA Pharma corporate website. HRA Pharma's employees will be informed of this communication which will serve as a basis to further dialog and development of corporate responsibility practices.