



# COMMUNICATION ON PROGRESS 2017



**HRA**Pharma

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## STATEMENT FROM THE CEO



On behalf of the Executive Leadership Team, I am pleased to express HRA Pharma's continued support of the UN Global Compact.

As an active member of this international initiative since 2011, we are committed to expanding and extending our corporate citizenship efforts, moving forward to create sustained impact in communities around the world.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



**David Wright**  
CEO of HRA Pharma

# THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Launched in 2000, the United Nations Global Compact is a voluntary initiative for companies that are committed to sustainable business practices. It seeks to align corporate strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals. More than 9700 companies from 162 countries have joined Global Compact. HRA Pharma signed up to the Global Compact in 2011 and has adopted its 10 principles.



COMMUNICATION ON  
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

## HUMAN RIGHTS

- **PRINCIPLE 1**

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

- **PRINCIPLE 2**

Make sure that they are not complicit in human rights abuses.

## LABOUR

- **PRINCIPLE 3**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

- **PRINCIPLE 4**

The elimination of all forms of forced and compulsory labour

- **PRINCIPLE 5**

The effective abolition of child labour

- **PRINCIPLE 6**

The elimination of discrimination in respect of employment and occupation

## ENVIRONMENT

- **PRINCIPLE 7**

Businesses should support a precautionary approach to environmental challenges

- **PRINCIPLE 8**

Undertake initiatives to promote greater environmental responsibility

- **PRINCIPLE 9**

Encourage the development and diffusion of environmentally friendly technologies

## ANTI-CORRUPTION


- **PRINCIPLE 10**

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





# HRA PHARMA AT A GLANCE



HRA Pharma is a fast growing international pharmaceutical company dedicated to consumer healthcare. Our mission is to empower people throughout the world to improve their lives by developing accessible, value added self-care solutions. The objective at the creation of HRA Pharma in 1998 was to provide therapeutic solutions to medical needs that had not been addressed previously by large pharmaceutical groups. Twenty years on from our modest beginnings, HRA Pharma has become an innovative, OTC-focused and rapidly growing company, with direct operational presence in European countries and partnerships that have extended its products' availability to over 90 countries worldwide.

## • PIONEERS IN WOMEN'S HEALTHCARE

Our company launched its first product –an emergency contraceptive pill in 1999, and through our development and commercialization efforts become the European leader in emergency hormonal contraception. Our women's healthcare franchise, including innovative and value-added products and ambitious projects under development, constitutes a major engine of the future growth of HRA Pharma.

## • STRONG PRESENCE IN ENDOCRINOLOGY & RARE DISEASES

The company has a fully-dedicated Endocrinology & Rare Diseases division, which mission is to make meaningful health solutions broadly accessible to rare disease patients. With a portfolio of medicines that address Cushing's syndrome and Adrenal Cortical Carcinoma, the company's goal is to support rare disease patients and healthcare providers with appropriate products and services from diagnosis to treatment follow-up.

## • STRATEGIC EXPANSION INTO WOUND CARE

In 2017, HRA Pharma acquired global rights to Compeed® from Cilag GmbH International, a Johnson & Johnson company. Recognized as a leading brand for European pharmacists, Compeed® provides consumers with a comprehensive portfolio of products for the relief and treatment of blisters, corns, calluses, cracked skin and cold sores.

## • GROWING PORTFOLIO IN CONSUMER HEALTHCARE AND OTC

Currently, the HRA Pharma portfolio encompasses four well-known consumer and OTC brands in blister care, lip care, emergency contraception and intimate care. In the years to come, HRA Pharma intends to pursue its development combining organic growth with targeted acquisitions. Our objective is to become one of the fastest growing Consumer Healthcare Company, while building on our strengths for the benefit of our customers. We are developing new products and identifying new opportunities that fit our unique skills. Backed by supportive shareholders, we have the resources to pursue our growth strategy and capitalize on investment opportunities as we uncover them.



We are an **innovative  
consumer healthcare  
company**, building and  
developing strong OTC  
and consumer  
healthcare brands

# BUSINESS ETHICS

**To better meet the needs of customers, patients and healthcare providers worldwide, HRA Pharma has built a scalable business model while reaffirming the principles of integrity and responsible business conduct.**



## FOSTER ITS ENGAGEMENT WITH THE UN GLOBAL COMPACT

**All around the world, HRA Pharma strives to build lasting relationships with its industrial and commercial partners. We believe that building quality relationships with our business partners is one of the key factors to achieve growth and profitability.**

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 the beginning of our engagement in 2012, 244 contracts with the "UN Global Compact" clause have been signed.

## PROMOTE A RESPONSIBLE AND COMPLIANT CONDUCT

**Responsible and ethical conduct is integral to our corporate identity and forms the basis for the long-term success of our company.**

HRA Pharma's strategic agenda initiated in 2016 sets the ambition to become a global innovative Consumer Healthcare player, bringing solutions and access to people globally. In 2017, according to the company's willingness to accelerate the deployment of this strategy the Executive Leadership Team has implemented the company's purpose, vision and goals, and refined the set of core values that will guide our company's direction in the years to come.

Thus, HRA Pharma's newly defined values- Passion, Results-Driven and Trust – are now gradually integrated into all levels of our organization.

Equally important for long-term success is our unyielding commitment to ethical, societal and environmental issues. As actors in health and economic life, we are called to the highest standards of integrity, respect and engagement in our behaviors, everyday, everywhere. This conviction is not new for us. We made a major step forward by signing the United Nations Global Compact in 2012. In 2017, we have taken important steps forward by developing clear, visible and accessible policies and guidance in terms of ethics, anti-corruption, fair-competition and countries under political trade restrictions. The company has also updated its Employee Handbook to satisfy the most up to date legal and regulatory requirements.

### • Code of ethics

A Code of Ethics, provides a set of simple principles and behaviors that should guide the Group and each of us in the everyday conduct of business. HRA Pharma has a global dimension and the world in which we do business is changing at a rapid pace. In the context of this continually evolving business environment a Code of Ethics offers a real value to a company and constitutes a common benchmark to guide individual initiatives and ensure greater consistency in practices across the Group's departments and geographies.

In 2017, the company undertook a global review of all, already existing, corporate tools supporting ethics. A new comprehensive and up to date Code of Ethics has been developed. Aligned with company values and all applicable laws, it addresses the full range of ethical dilemmas employees are likely to face in their work. Additionally specific measures and



procedures have been implemented as part of our compliance program. An internal system of alerts designed to enable employees to report any violations of the above Code of Ethics has been defined.

In 2018, An Ethic committee called also “Risk Management Compliance Board” will be set up and an Ethical Lead will be appointed. Annual audits to assess the efficiency of the compliance program will be held and Code of Ethics-related trainings for employees will be organized in 2018. Our objective is that all of our people embrace this Code of Ethics as the best way to support our business and fulfill our sustainable development responsibilities.

### • **Anti-corruption compliance policy**

Corruption is a global ethical and legal issue of corporate and public life, having many forms and taking place in both developed and developing countries. HRA Pharma is committed to conduct its business with integrity and transparency and does not tolerate any form of bribery or corruption.

In the previous years, HRA Pharma has published a set of specific guidelines for its employees on conflict of interest, gifts and hospitality. Additionally specific anti-corruption training courses had been provided to selected employees.

In 2017, HRA Pharma decided to strengthen its commitment to anti-corruption compliance by developing a most up to date Anti-Corruption Compliance Policy. The objective is to guide all our employees in their daily practice, by supplying the necessary practical knowledge to detect and prevent corrupt practices, and to know how to act in compliance with anti-corruption laws.

Next year, this policy will be shared with all employees and specific training courses will be provided to any employee exposed to the risks of bribery and influence peddling. Every employee will be required to read the content of this Policy and carry out his/her work and responsibilities in accordance with its principles.

### • **Fair –competition compliance policy**

CHRA Pharma operates within the principles laid down by the domestic and international rules put in place to protect free competition and therefore, in carrying out its business, operates by promoting fair competition.

The company recognizes that fair and loyal competition is a key element for the development of the company and the market, and is also aware of the commercial, financial, reputational and operational consequences that would arise from a breach of the rules of free competition and therefore of the importance of putting in place an adequate fair-competition compliance policy. For this reason, HRA Pharma has worked on this Policy in 2017. Directed towards HRA Pharma’s employees, advisors and all persons who operate for the benefit of the HRA Pharma Group, this Policy will be disseminated among the Group in 2018.

### • **International trade and restrictions compliance policy**

HRA Pharma operates globally and deals with a diverse range of third parties. The international community within which HRA Pharma conducts business is subject to a number of measures that control dealings with specific persons and/or countries, and control the import/export of certain goods and services. It is important that HRA Pharma operates within the scope of any such limitations on trade. A specific International Trade and Restrictions Compliance Policy has been developed by HRA Pharma in 2017 and will be shared with employees and relevant stakeholders in 2018.

### • **Employee handbook**

HRA Pharma Employee Handbook defines the guidelines according to which the Company’s employees should operate. It clearly communicate our workplace policies, processes, rules, norms and workplace behaviors. Its content has been reviewed and updated in 2017 in line with legal and regulatory requirements and in accordance with the newly developed set of policies related to ethics, anti-corruption, fair-competition, international trade and restrictions.



We are an effective  
change agent aiming  
to provide **innovative,  
self-care solutions**  
to people globally

# COOPERATION & ENGAGEMENT

**At HRA Pharma, we firmly believe our employees are our greatest asset and an integral part of our success. We work hard to make sure we attract, develop, retain and motivate our people to ensure that they are inspired by our company and leadership.**

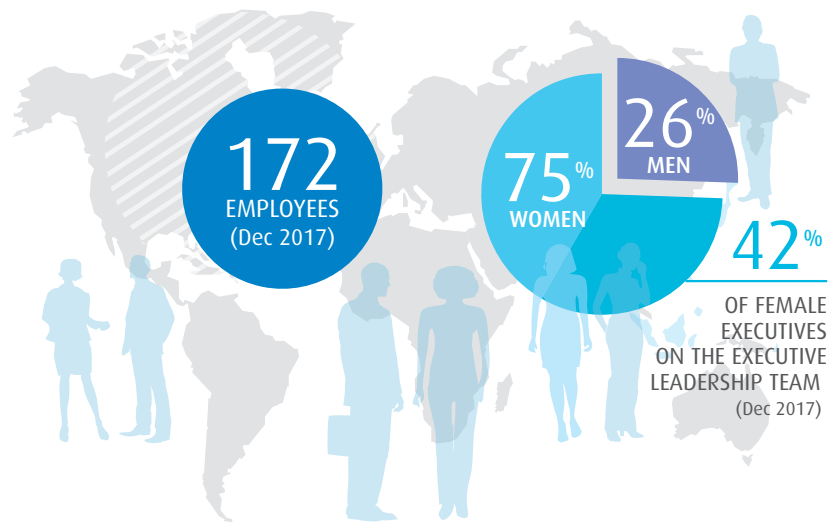
## CULTURE – SUPPORTED PERFORMANCE

We strive for a performance-based culture based on individual accountability, which we believe supports our ability to successfully address our competitive market and to achieve ambitious objectives collectively.

The Company strives to objectively evaluate each employee's contribution to the overall success of the company. A critical factor in this work is to set, and continuously support, individual goals linked to our strategic business. Each year we bring improvements to our performance evaluation system with the objective to provide an equitable measurement of an employee's contribution to the workforce thanks to the use of standard evaluation forms and the SMART technique to goal setting.

As performance is not only about what individuals achieve but how the objectives are achieved, employees are therefore expected to achieve the individual and team performance results in line with our three corporate values: Trust, Results-driven, Passion.

To assist managers in performance evaluation, the Human Resources & Communication department will be launching in Q1, 2018 a new online tool for objectives setting and follow-up.



## TWO-WAY COMMUNICATION WITH TEAMS

The company aims to build an environment that promotes effective two-way communication with its team. We ensure employees understand the company's vision and purpose; are clear on their responsibilities; have the right information to execute their role effectively; are given the opportunity to give feedback and submit ideas to drive ongoing improvement.

There are a variety of ways that the company encourages two-way communication; including regular team meetings, manager cascades, electronic newspaper, access to the company intranet, senior leadership video and email broadcasts. The company also conducts employee surveys through a professional employee opinion consultancy. The survey facilitates employee dialogue and is a tool to assess the levels of employee engagement. The results are used as part of a process of continuous improvement.

A Pulse Check survey was conducted this year closing on May 2017 to take a temperature check on engagement levels. The results have been reviewed by the Executive Leadership Team and action plans have been created and cascaded through the Management teams to drive change in any areas where we felt we had not achieved results that we were hoping for. In line with our philosophy of continuous improvement, the Pulse check survey will be renewed on an annual basis.

## LEARNING & DEVELOPMENT OPPORTUNITIES

The Company's objective is to help its employees perform at their best and bring about improvements to the culture of the organization, so enabling improved staff wellbeing and enhanced organizational performance.

Learning and development is an important factor leading to opportunities at work. HRA Pharma ensures that all employees have opportunities for regular learning and development and monitors the level of employee attendance. Through its performance review and appraisal schemes, HRA Pharma ensures that employees are given an opportunity to take part in both job specific trainings and have individual development plan designed to promote their opportunities and career advancements. Additionally, to comply with legal and regulatory requirements, all employees of HRA Pharma are requested to complete HRA Pharma compliance training as part of their onboarding process into the organization.

## ENGAGEMENT WITH CUSTOMERS

HRA Pharma puts its customers at the heart of everything we do. Customer feedback is absolutely essential to help us understand and exceed expectations. Thanks to targeted acquisitions of renowned consumer healthcare brands such as Compeed acquired in September 2017 as well as the strengthening of its leadership and management team with consumer health industry experts the company intends to become a significant player in the consumer healthcare field and a privileged partner for our customers.

In the future, HRA Pharma plans to engage with customers in a number of different ways to improve on our products, services and sustainability. And overall to create a better overall customer experience for each customer.

## ENGAGEMENT WITH THE MEDICAL COMMUNITY

HRA Pharma has a fully-dedicated Endocrinology & Rare Diseases division, which mission is to make meaningful health solutions broadly accessible to rare disease patients. With a portfolio of products (medicines) that address Cushing's syndrome and Adrenal Cortical Carcinoma, the company's goal is to support rare disease patients and healthcare providers with appropriate products and services from diagnosis to treatment follow-up.

In 2017, HRA Pharma supported the development online of a Cushing's syndrome knowledge center. This knowledge center is dedicated to healthcare professionals, with the aim to raise awareness on the diagnosis and management of Cushing's syndrome, for physicians from different specialties. Indeed, it offers an overview of the epidemiology and pathophysiology of Cushing's syndrome as well as guideline-defined best practice for its diagnosis and management. In addition, you can find sources of support via links to professional societies and patient groups. The website is accessible on the following link: <https://www.epgonline.org/cushings-syndrome-kc/en/>. It has been developed by EPG Health Media (Europe) Ltd for [epgonline.org](https://www.epgonline.org/), supported by an unrestricted educational grant from HRA Pharma, and is intended for European Healthcare Professionals only.

### Working conditions follow-up

- Follow-up on mesures taken since 2013 at HRA Pharma Headquarters and its French operational subsidiary

HQs + FR	Dec 2013	Sept 2014	Dec 2015	Dec 2016	Dec 2017
One day per week telecommuting system	14%	21%	19%	16%	17%
Part time hours	Data NA	15%	11%	9%	7%
Child-care initiative	-	15%	16%	12%	20%



We empower people  
throughout the world to  
improve their lives by  
developing **accessible,  
value added self-care  
solutions**



# SUSTAINABLE BUSINESS DEVELOPMENT

**HRA Pharma is aware about the ecological, social and economic impacts of each business activity and aims to develop its business while contributing to economic, environmental and social development**



**The HRA Pharma  
Company's Foundation**

## FOSTER WIDER ACCESS TO EFFECTIVE BIRTH CONTROL METHODS

HRA Pharma is proud to partner with Ibis Reproductive Health and the OC OTC Working Group to bring to the U.S. market a safe and effective over-the-counter contraceptive.

At HRA, we are proud of our pioneering work to expand access to contraception for millions of women. We share the OC OTC Working Group's commitment to increasing safe and effective options for preventing pregnancy and improving the reproductive health of women in the U.S. Oral contraceptives are some of the best-studied medicines on the market today and enjoy longstanding support from medical and public health experts. The science is clear, and U.S. experts including The American College of Obstetricians and Gynecologists, the American Medical Association, and the American Academy of Family Physicians agree that oral contraceptives are appropriate as an over-the-counter option.

We look forward to working together to build a future where each woman can get the safe and highly effective birth control method she prefers.

## RAISE AWARENESS INTERNALLY ON WOMEN'S ISSUES

All around the world, International Women's Day represents an opportunity to celebrate the achievements of women while raising awareness of the challenges and struggles faced by women worldwide and calling for greater equality.

In March of each year HRA Pharma organizes an internal awareness raising event called "Women's Week" with the aim of broadening understanding and mobilizing its staff around various women's issues. In 2017, our program included:

- a historical exhibition at our headquarters re-tracing the 60-year old history of the French Family Planning ;
- a talk by Ms. Emmanuelle Piet, Founder and President of Collectif Féministe contre le Viol, a collective of feminist organisations against rape. This talk was held in conjunction with our company's Foundation, which financially supported this association in the past years.

## SUPPORT SUSTAINABLE DEVELOPMENT THROUGH A COMPANY'S FOUNDATION

The HRA Pharma Foundation was established in 2012, to reinforce our historical corporate social responsibility commitment and further promote and support the implementation of programs and activities primarily in the area of women's health. Our dream is to foster young girls' and women's access to education, reproductive health and the arts across the world.

We partner with likeminded individuals and organizations worldwide to develop socially responsible programs in three focus areas:

- **Education**

We focus on providing educational opportunities to girls and women worldwide.

- **Reproductive health**

Through our initiatives, we aim to expand women's access to safe, effective and modern methods of contraception and reproductive health services.

- **The arts**

We recognize that art and culture play a vital role in promoting social development.

- **Fostering employee engagement**

The Foundation provides support for charity or community projects in which employees are encouraged to take part. Each September a call for projects is launched, aimed at employees, external individuals, organizations or associations.

Proposals can include full programs or proof of concept initiatives to be expanded on a larger scaled if pilot is successful. They should also include ways to evaluate the outcome of proposed initiatives whenever possible.

Following a rigorous assessment, focused in particular on the social impact, alignment with the Foundation's key areas of focus, employee involvement and budget, The board of HRA Pharma Foundation select one or several projects in each area de-

finied above. Grantees are responsible for the final elaboration, implementation and monitoring of the project. They benefit from support from HRA Pharma or other identified partners. Between 2012 and 2016, 44 projects from all around the world have been supported including 17 projects in Africa, 13 projects in Europe, 4 projects in Latin America, 3 projects in North America, 3 projects in Asia and 1 project in Oceania.

In 2017, a 5-year extension with an annual budget of 150k€ was granted to the HRA Pharma's Foundation by the HRA Pharma's Group.

To know more about projects supported by our Foundation please refer to HRA Pharma corporate website [www.hra-pharma.com](http://www.hra-pharma.com).

## MINIMIZE OUR ENVIRONMENTAL IMPACT

We aim to minimize our environmental impact and help develop environmentally responsible working environment. We intend to identify and control our environmental impact, and improve our environmental performance.

- Dispose of waste in an environmentally responsible manner
- Reuse and recycle where practicable
- Develop environmentally responsible working solutions
- Promote sustainability within the organisation



## • Recycling

HRA Pharma believes that recycling & recycling education are critical to sustainability.

Measures taken in this field include:

- Sorting plastic and paper for recycling.
- Using recycled paper
- Print double-sided by default
- Recycling printer cartridges.
- Communicating electronically to reduce paper consumption.



## • Environmentally responsible working solutions

We seek out new technologies and maximize their use to reduce our environmental impact. The company always assesses the usefulness of air travel while actively recommending and promoting the use of information technology-based ways of communication. With this in mind, Lifesize Cloud, a virtual meeting technology that provides an effective alternative to travel, has been implemented in all of our offices worldwide in 2015 (including HQs and subsidiaries). In 2017, communications via this videoconferencing system represent about 230 calls per month.

### • Environmental key performance indicators

		2012	2013	2014	2015	2016	2017
		(as of Dec 1)					(as of Dec 1)
RECYCLING	Paper A4 & A3 format bought (in kg)	1,351	1,435	1,342	2,475	2,300	1,919
	Paper recycled (in kg)	2,022	2,075	2,630	1,950	3,329	3,299
	CO2 equivalent (in kg)	1,112	1,141	1,447	1,073	1,831	1,814
	kWh equivalent	8,088	8,300	10,520	7,800	13,316	13,196
	Recycled plastic cups (in kg)	NA	NA	NA	NA	NA	53
	Recycled batteries (in kg)	NA	NA	NA	NA	NA	11





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