



# Sustainability Report 2019

Communication on Progress  
to the United Nations  
Global Compact



**WE SUPPORT**



## Preface

### - Statement of continued support by the Chief Executive Officer –

We are happy to release our fifth Sustainability Report, which gives us a chance to present our progresses made, but also reflect on the challenges still ahead of us. The reporting cycle of this reports ranges from 1<sup>st</sup> January 2018 to 31<sup>st</sup> December 2018.

2018 was the first year we operated fully from our new office in Hallbergmoos. The year offered several challenges for us again. The new EU Medical Device regulation (as published under Regulation (EU) 2017/745) required us to implement several adoptions of our regular workflow to comply. Also, we had to change one of our Notified Bodies, as the previously used one changed their scope of activity. A decreasing willingness to cooperation of our suppliers with our high standards of sustainability is also getting a bigger and bigger challenge from year to year.

This report is also our annual Communication of Progress (COP) and will be published on the UN Global Compact Website. Hereby, we reaffirm our commitment to core values in the areas of human rights, labor, environment and anti-corruption we made with the signing of the UN Global Compact in 2014.

Since 1984, Optima Pharmazeutische GmbH provides high-quality healthcare products. Improving the ecological, economic and social impacts of our actions have been guidelines of our entrepreneurial activity from the very beginning.

We invite all business partners and other interested parties to join and support us in realizing this vision and get in contact with us in case of any questions or suggestions.

Hallbergmoos, Mai 2019

Michael Kroll

Stefan Kroll

Managing Directors Optima Pharmazeutische GmbH



## Contents

Preface.....	2
Contents .....	3
1 Human Rights.....	4
2 Labour .....	7
3 Environment.....	10
4 Anti-Corruption & Fair Business Practice.....	17
5 Community Engagement.....	19
6 Outlook.....	21

### Further information:

Optima: Corporate Sustainability website

<http://nachhaltigkeit.optimapharma.de/index.php/en/sustainability/sustainability.html>

United Nations Global Compact

<http://www.unglobalcompact.org/>



# 1 Human Rights

**Principle 1:** We support and respect the protection of internationally proclaimed human rights

**Principle 2:** We make sure that we are not complicit in human rights abuses

## Human Rights in our own operations

Optima declares its full support for the United Nations Universal Declaration of Human Rights.

Optima's operations are based in Germany and Switzerland. According to the Verisk Maplecroft Human Rights Risk Index 2016, Optima's operation countries have a low prevalence of human rights-related risks (see "Further information"). Our research and development activities are carried out exclusively in Germany, in cooperation with renowned research institutions. All quality standards and sector commitments are fully adhered to. One of our main research partners is also a signee to the UN Global Compact.

## Human rights in our supply chain

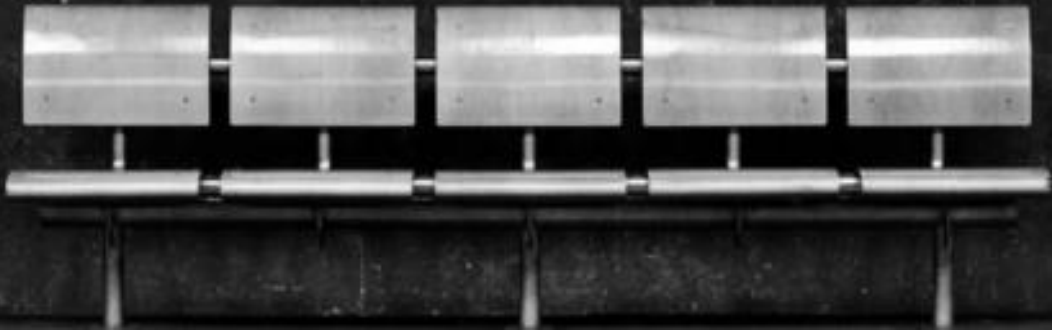
Optima's supply chain which is formed by numerous tier 1 suppliers is located in Germany and France. As mentioned above, those countries are considered holding a low potential of human rights infractions. Therefore, the exposure to human rights-related risks in case of tier 1 suppliers is also considered minimal.

Our detailed sustainability standards for our suppliers require them to adhere to the UN Global Compact Principles (see "Further information").

Also, tier 1 suppliers are requested to report any human rights-related incidents in their own operations or supply chains to Optima. As a measurement of outcome, we monitor the number of complaints, incidents or other issues related to human right abuses, both in our own operations and our supply chain. In the last year, as in the year before, **no** such incidents were brought to the knowledge of Optima.

✓ 0 human rights-related incidents

2018, Optima renewed the assessment by ethical trade initiative SEDEX.



Since 2016, our supplier audits are including the dimension of sustainability in accordance with the content promoted by the Ethical Trade Initiative (ETI Base Code, see “further information”). These topics were also actively addressed during the on-site audits. For Human Rights topics, this includes the following criteria:

- Management systems / Code of Conduct for sustainability management
- Harsh or inhumane Treatment
- Entitlement to work

In addition, audited suppliers are requested to declare conformity to the ETI Base Code, as well as to Optima’s Standards for Sustainable Procurement, and all applicable national and international laws and regulations.

In the reporting year, four of our main suppliers have been audited by us. Based on our own risk assessment, we have thus covered all suppliers with even a remote exposure to said risks.

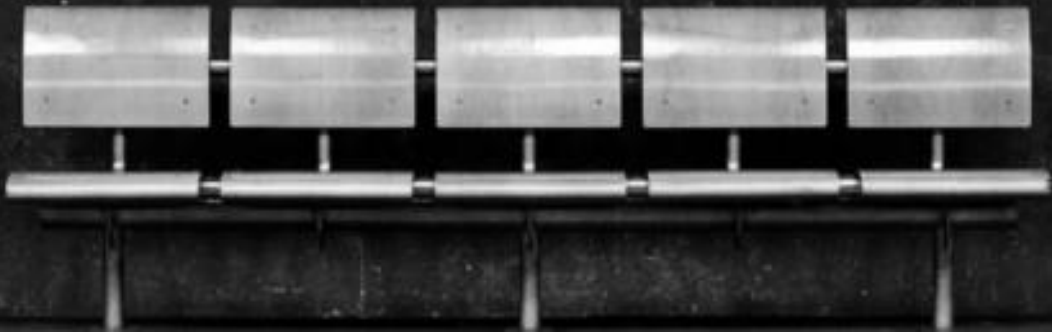
✓ Four successful on-site supplier audits addressing human rights issues

### Human rights in the downstream value chain

Notoriously, the downstream value chain (e.g. in logistics and distribution) only gains little insights into human rights conditions. 92,7% of Optima’s sales volume is directed to EU countries (including Switzerland), 7,2% to Australia, New Zealand and 0,2% to Canada. Therefore, a general compliance of the downstream value chain partners with the existing legal requirements concerning human rights can be assumed.

Regarding our downstream value chain, we furthermore encourage partners to participate in voluntary sustainability and human rights codices, like the UN Global Compact or the German Sustainability Codex. In 2018, about **two thirds** of our key customers were signatories to the UN Global compact or similar voluntary codices (e.g. German Sustainability Codex), and/or have an own policy for the protection of human rights. Although this share was not increased compared to 2017, it is planned to keep engaging with value chain partners on this topic.

✓ 2/3 of key customers are publicly committed to fighting human rights abuses



### **Further information**

Ethical Trading Initiative: <http://www.ethicaltrade.org>

Optima: Standards for Sustainable Procurement (German)  
[http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/standards\\_for\\_sustainable\\_procurement.pdf](http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/standards_for_sustainable_procurement.pdf)

SEDEX: <https://www.sedexglobal.com>

Verisk Maplecroft: Human Rights Risk Index 2016  
[https://reliefweb.int/sites/reliefweb.int/files/resources/2016\\_ITF\\_Human\\_Rights\\_Index\\_2016-01.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/2016_ITF_Human_Rights_Index_2016-01.pdf)



## 2 Labour

**Principle 3:** We 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; and

**Principle 6:** the elimination of discrimination in respect of employment and occupation

### **Working conditions**

One of our key concerns is the creation of optimal working conditions for all employees. Our goal is not only to match the legal requirements, but to exceed those wherever possible. Optima enables and encourages part-time employment of employees of all genders by offering flexible contracts.

### **Equal opportunities and employee rights**

Optima guarantees its employees the freedom of association and the right to collective bargaining as regulated by national and European laws and standards.

Optima is an equal opportunities employer. We strive actively against discrimination of employees. We fully comply with national and European employee protection and anti-discrimination legislation.

We provide ongoing training and qualification initiatives to our employees and focus on a long-term, cooperative HR development strategy. Our employees are our capital.

Midst 2017, the headquarter of Optima was moved 30 km to Hallbergmoos. Because of the longer commuting distances and connected higher costs for our employees, we decided to support them with financial assistance and by offering attractive lunch options at the new site. This is ongoingly valid for 2018.

Also, we try to improve the work-life-balance of our staff. Wherever possible, we try to provide flexible solutions for new aspirants and long-term employees.



We monitor the number of incidents regarding employee rights or discrimination (e.g. formal complaints, legal conflicts etc.), of which there were **none** in the last year. For 2019, we also aim to keep this number at zero.

✓ 0 labour rights-related incidents

### **No child or forced labour**

Our employment policy is in accordance to legal requirements and we have no employees under the age of 18. The same applies to any kind of forced or compulsory labour.

### **Labour standards in our supply chain**

The vast majority of our tier 1 suppliers are located in Germany and France. Those countries have:

- a low level of child labour risk according to the Child Labour Index 2014
- a low level of working conditions risk according to the Working Conditions Index 2014 (see "Further information")

Our supplier standards for sustainable procurement explicitly include the compliance with all legal requirements and the labour-related Principles of the UN Global Compact.

Our key supplier audits conducted in 2018 (see chapter 2) also covered randomly requested labour topics based on the standards put forward by the Ethical Trade Initiative (ETI Base Code, see "further information" in Chapter 1), such as:

- Freedom of employment
- Freedom of association
- Safety and hygienic conditions
- Child labour
- Working conditions, flexibility, remunerations and benefits

Accordingly, we have thus covered all suppliers with a potential exposure to said risks.

✓ Four successful on-site supplier audits addressing labour issues





### **Further information**

Optima: Standards for Sustainable Procurement

[http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/standards\\_for\\_sustainable\\_procurement.pdf](http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/standards_for_sustainable_procurement.pdf)

Maplecroft: Child Labour Index 2014

<http://maplecroft.com/portfolio/new-analysis/2013/10/15/child-labour-risks-increase-china-and-russia-most-progress-shown-south-america-maplecroft-index/>

Maplecroft: Working Conditions Index 2014

<https://maplecroft.com/portfolio/new-analysis/2014/01/29/world-cup-host-qatar-among-11-countries-downgraded-iso-extreme-risks-working-conditions-maplecroft-index/>



## 3 Environment

**Principle 7:** We support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies

Environmental sustainability is a key concern of the management and the employees alike. Although Optima's products do not require large amounts of energy or natural resources in production or use, we accomplish the responsibility for minimizing negative impacts. While Optima is not directly exposed to significant environmental risks, energy and resource availability play an important role.

### Energy use

Energy production and use is a main source of greenhouse gas emissions. The use of renewable energies is a way to reduce energy-related emissions. As we relocated, the use of pellet / woodchip heating was no longer available. Now, we are relying on district heat. Also, in December 2017 we changed our energy supply to Greenpeace Energy which we are using since then.

Efficient energy and resource use are topics that need to be integrated broadly into business processes. To improve in those areas, Optima decided to transit towards a paper-free administration. In 2018, the search for an ERP-software was initiated.

Within our on-site supplier audits conducted in 2018, we have also covered the subject of environmental impacts, including:

- Continuous improvement of environmental performance
- Compliance with all applicable laws and regulations

✓ Four successful on-site supplier audits addressing ecological issues



## Transportation & Mobility

Regarding energy use for transportation and packaging, Optima is working continuously on optimizing production structure and processes. One example is the restructuring of production for one of our main products.



Optima's electric company car, a Volkswagen e-Golf

In 2018, we continued to work on improving the centralization of our distribution by sending out individual shipments directly from the location of manufacturing. This eliminates the need of having the packaged products sent back to our headquarters for distribution.

Regarding sustainable employee mobility, Optima continued to use a battery-electric vehicle. The charging station provides power from renewable sources, and therefore allows emission-free business travels. The car has been used widely for near- to medium-range travels, and feedback by employees is decidedly positive. The energy use for 2018 was 1.446 kWh. Since the purchase, about

31.500 km have been driven with it.

We also decided to pro-actively step back from the use of diesel-powered cars. As one of our diesel car's leasing contract ended, we signed a new leasing contract for an Audi A4 Gtron which is powered with natural gas instead. This not only improves the fine dust pollution caused by us but is also a significantly slimmer contribution to our carbon footprint.

- ✓ Continued use electric vehicle & charging infrastructure
- ✓ 4.400 km travelled emission-free
- ✓ Step-by-step reduction of diesel-related emissions



### **Resource-friendly expansion strategy**

Due to constantly growing company activity, we had reached the limits of our old headquarter building. We have therefore assessed several options to extend our old facility, erecting a new building or relocating to another location. In 2016, we decided to move to an existing building approximately 30 km from our previous location. Besides practical advantages, this solution also has ecological benefits, since materials and energy consumption and therefore greenhouse gas emissions for constructing a new building are avoided, which would have had a significant impact on our carbon footprint. Furthermore, the connection to public transportation is better in Hallbergmoos, so it is easier for the employees to reach the office without their own car.

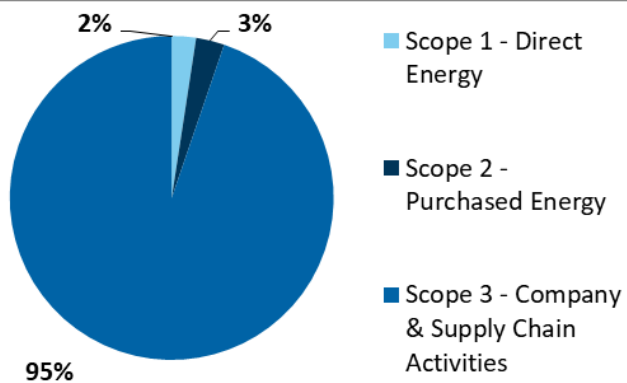
Downside to this solution is, however, that for some employees commuting distances may be longer to the new location. To compensate for ecological effects, Optima compensates all non-avoidable emissions also from employee commuting. In addition, we grant parallel working times to make group commuting possible.

### **Greenhouse gas emissions balance**

Starting with the year 2012, we are assessing our annual Corporate Carbon Footprint, meaning the greenhouse gas emissions balance of all company operations, including up- and downstream processes of the value chain. The advantage of the Carbon Footprint is that it includes emissions from energy and fuels, material-related emissions of the upstream and downstream value chains as well as other indirect emission sources like business travel and commuting of employees. Thus, it gives valuable insights into the ecologic hotspots of a company's environmental balance and provides a single indicator that is easy to monitor.

The calculation itself is carried out by our environmental consulting partner DFGE – Institute for Energy, Ecology, Economy, in accordance with the GHG Protocol standard.





The total emissions for Optima amount to **491t CO2e** for calendar year 2017.

Of these, 2% are caused by consumption of fuels for vehicles and heating (Scope 1). Emissions from purchased energy (Scope 2) also amount to 3%. The majority of emissions, with 95%, are other indirect emissions that occur along the value chains.

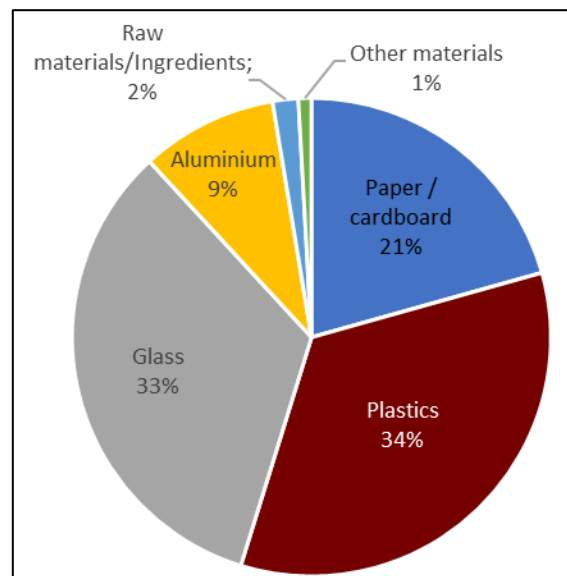
Compared to the previous year, absolute emissions have decreased slightly from 500 t CO2e to 491 t

CO2e by 2%. Several reasons can be accounted here. The sales volume decreased, also the change to the new office space with other heating and power supply system has to be taken into account.

Within Scope 3, especially the category of Purchased Goods & Services influences our emissions balance. This category includes the energy related emissions of contract manufacturing as well as value chain emissions of the materials used in production. The following graphic shows the share of emissions within Purchased Goods and Services. The biggest position within this category is held by packaging material.

Besides the absolute emission amounts, we calculate our "emission intensity", i.e. the relative emissions per piece of production output. This provides a clearer view of improvements in efficiency, even if the absolute carbon footprint is increasing due to growth in business activity. From 2016 to 2017, relative emissions increased slightly from 93 g CO2e to a value of **105 g CO2e per piece** of output produced (including Scope 1, 2 and 3 emissions).

Here, the main reason is a change in the calculation of capital goods. So far, the site in Zug has not been included in this calculation. For 2017, this was the first assessment including those figures. Furthermore, the changes of several emission factor to newer values



- ✓ Absolute emissions reduced by 2%
- ✓ Four successful on-site supplier audits addressing ecological issues



## Optima - a climate-neutral company

Energy and resource consumption and related emissions can be reduced by efficiency measures – but only to a certain point. However, Optima also takes responsibility for all non-avoidable emissions. Therefore, we compensate all our Scope 1, 2 and 3 emissions as calculated in the Carbon Footprint, by financing certified emission reduction projects.



Since 2014, Optima has supported a reforestation and community support project in Zimbabwe through the purchase of Verified Carbon Standard emission reduction certificates. This project not only contributes to reducing Greenhouse gas emissions, but also provides sustainable livelihood options for local communities, by funding healthcare centers, community gardens, school fee subsidies etc.

Supported Reforestation/Community support project  
"Kariba REDD+" in Zimbabwe

©South Pole Group - southpolegroup.com

The Carbon Footprint as well as the compensation have been certified by TÜV Hessen, and Optima has

been awarded as "climate neutral company" according to the TÜV ProfiCert Standard Climate Neutrality.

Optima has committed itself to continue the compensation of 100% of non-avoidable emissions over the coming years.

In 2018, this ongoing compensation has been re-audited successfully by TÜV Hessen.



✓ 100% of Scope 1+2+3 emissions compensated



### **Natural resources / raw materials**

An important focus area regarding environmental impacts is the provenience of natural raw materials used. Depending on the method and region of production, these may have larger or smaller environmental impacts. In the case of Optima's products, paper is the most relevant material by quantity, as it is used in the individual product package, as well as for shipping boxes, leaflets etc.

Optima's goal is to use as much recycled paper as possible. For the remaining amount of non-recycled paper, we are using FSC (or alternatively PEFC) certified paper, wherever available. In 2017, we started to use 100% certified (or recycled) paper for all product packaging and in our office operations which is still carried out until today.

Equally, Optima's tier 1 suppliers and contract manufacturers are requested to use recycled paper wherever possible, and FSC (or PEFC) certified paper in all other cases. If no certified products are available, materials from known and legal sources must be used, which do not cause avoidable negative ecological and social impacts like deforestation, land use conflicts etc.

✓ 100% certified paper for product packaging and office use

Regarding product ingredients, two important naturally sourced materials are ethanol and soy lecithin, which may be related to increased ecological impacts. However, the absolute amount of material used is limited. Optima's tier 1 suppliers are requested to comply with all applicable environmental, health, labour and social standards when sourcing natural materials, and ensure that they do not cause avoidable negative ecological and social impacts like deforestation, land use conflicts etc.



### **Waste and recycling**

Regarding our products, the central focus lies on supreme quality and safety, but we also care about their end-of-life phase: Our products are not harmful to the environment and can be safely disposed of by regular means. Paper boxes, leaflets, empty glass containers and plastic caps can and should be recycled.

Through their innovative formulation and application method, our liposomal eye sprays have a much longer usage time compared to alternative products. This means that the amount of waste is reduced drastically compared to other products, especially those with one-dose packaging.

### **Further information:**

DFGE/Optima: Carbon Footprint Balance Year 2018 - Management Summary

<http://nachhaltigkeit.optimapharma.de/index.php/en/sustainability/climate-protection.html>

TÜV Hessen: Certificate– Climate Neutrality

[http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/optima\\_tuevhessen\\_klimaneutralitaet.pdf](http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/optima_tuevhessen_klimaneutralitaet.pdf)

South pole Group: Kariba REDD+ Reforestation Project Description & Video

<http://www.thesouthpolegroup.com/projects/community-development-protects-forests#>





## 4 Anti-Corruption & Fair Business Practice

**Principle 10:** We work against corruption in all its forms, including extortion and bribery.

### Clear stance against corruption

Optima condemns all forms of corruption. We believe in fair and open competition and are convinced that quality, innovation and efficiency are the key to long term business success.

The commitment to prevent all forms of corruption has been integrated in our internal Quality Management Handbook.

### Anti-corruption action in our value chain



Optima has issued clear standards for its suppliers that include the compliance with all legal requirements and requests them to adhere to the UN Global Compact Principles on fighting corruption.

The 2014 Corruption Risk Index by Maplecroft shows that the countries in which Optima operates and where the majority of suppliers are located have a "low" risk of corruption, with the exception of Austria with "medium" risk (see "Further Information").

Optima monitors the number of incidents related to corruption of any form, both within the company and the supply chain. In the last year, there were **none** such incidents brought to the knowledge of Optima. We aim to keep up this performance in the coming year.

✓ 0 corruption-related incidents

Furthermore, we monitor the share of key customers that have published an own code of conduct or policy regarding corruption and/or are signatures to the UN Global Compact or similar codices. In the last year, about **two thirds** of our key customers have made such a public commitment.



Within our on-site supplier audits conducted in 2018, we have also covered the subject of business ethics based on the standards put forward by the Ethical Trade Initiative (ETI Base Code, see "further information" in chapter 1), including:

- Bribery and fraud prevention
- Existence of a business ethics policy / code of conduct
- Compliance with all applicable laws and regulations

✓ 2/3 of key customers are publicly committed to fight corruption

✓ Four successful on-site supplier audits addressing business ethics issues

**Further information:**

Maplecroft: Corruption Risk Index 2014

<http://maplecroft.com/portfolio/new-analysis/2013/09/24/corruption-risk-index-reveals-long-term-lack-will-tackle-corruption-brics/>



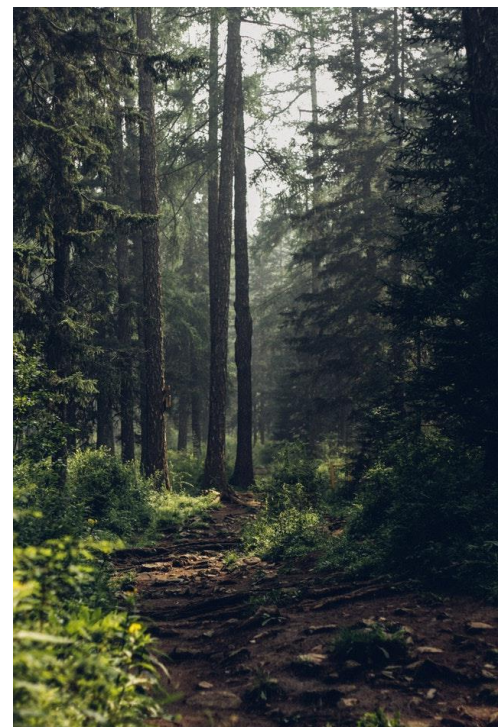
## 5 Community Engagement

Optima compensates all its Greenhouse Gas emissions by funding certified projects around the world. However, as a locally rooted company, Optima would like to contribute to an intact and valuable environment in our Bavarian home region. Therefore, in 2015 Optima decided to support the regional initiative "Bergwald-Projekt e.V.", which is working to re-naturalize and stabilize endangered forest areas in the Bavarian mountain regions, which were affected by climate change-related developments like storms, temperature changes and vermin damages.

As in 2016 and 2017, Optima is supporting the Bergwaldprojekt also in 2018. The main targets of this association is to support reforestation and stabilization of ecosystems. In 2018, Optima contributed the financial resources to reforest more than three hectares of soil with mainly sessile oak.

Since 2014, Optima is also supporting the Plant for the Planet Foundation on a yearly basis. This non-profit organization based in Bavaria tackles climate change by promoting reforestation and the planting of trees all over the world. The project was supported with 25.000 additional trees again which were planted in Campeche / Mexico by the donation of Optima. The goal of this projects is not only to reforest the region again, but also raising awareness concerning sustainable forest management and to strengthen the wood related job market (forest work, wood processing, etc.) within the region.

In addition, the shareholder of Optima decided to support the Oxfam project in Burkina Faso for establishing a sustainable livelihood in December 2017 for the estimated project expenses 2018 / 2019. The three core focus points of this project are the support of disadvantaged social classes as women or young generations, the adoption to new challenges caused by climate change and the maintenance of small agricultural companies which play a crucial role for the food supply for the local community.



As Optima is holding shares on stock exchange listed companies, the management decided to hand over their voting rights for the shareholders' meetings of those companies to the



German organization “Dachverband Kritische Aktionärinnen und Aktionäre”, which represents sustainable interests. In detail, their core values are:

- trying to stop coal power
- promoting the Sustainable Development Goals
- the protection of basic human rights

This helps to put pressure on the management of those companies as they are openly confronted with questions about grievances in their business.

**Further information:**

Bergwaldprojekt & Plant for the Planet: Information, Project Report and Certificates:  
<http://nachhaltigkeit.optimapharma.de/index.php/nachhaltigkeit/klimaschutz/weitergehendes-engagement-fuer-den-klimaschutz>

Plant for the Planet: Supporter List: <http://www.plant-for-the-planet.org/de/unterstuetzen/partnerschaft>

Oxfam’s project in Burkina Faso : <https://www.oxfam.de/unsere-arbeit/projekte/burkina-faso-integrierter-ansatz-gegen-hunger>

Dachverband Kritische Aktionärinnen und Aktionäre : <https://www.kritischeaktionaeere.de>



## 6 Outlook

Our goal for the next year is to keep up our climate neutrality. In recent years, we experienced almost no valuation from our customers for tackling that topic and therefore it is getting harder and harder to justify the additional expenses. Though, we hope to provide even more attractive working conditions for our employees and to keep exceeding the expectations of our customers and the users of our products.

As we believe in a green future powered by renewable energy, we think that no new investments into coal, oil or gas companies should be done anymore. We decided to take the Fossil Free Campaign<sup>1</sup> as a role model and adopt their main guidelines:

- Divestment – no further investment into fossil energy
- Desponsor – no sponsorship of fossil energy companies, no shareholding

We are constantly working on improving the data quality and general awareness of the sustainability-topic across our supply chain. Of course, our influence is limited due to the comparably small amounts of batches we order per supplier, but we still try to spread the general idea and benefits of responsible and sustainable company management. So far, several of our suppliers showed general interest but felt not ready to start with implementing a CSR-management so far.

We invite all partners, customers, suppliers and other stakeholders to communicate openly with Optima regarding all sustainability topics.

All new information and reports will be published in the sustainability section of our homepage:

<http://nachhaltigkeit.optimapharma.de/index.php/en/sustainability/sustainability.html>

---

<sup>1</sup> <https://gofossilfree.org>



© 2019 Optima Pharmazeutische GmbH  
Ludwigstraße 49, 85399 Hallbergmoos, Germany  
Tel.: +49 (0) 811 / 555 393 - 0  
E-Mail: [info@optimapharma.de](mailto:info@optimapharma.de)  
Internet: [www.optimapharma.de](http://www.optimapharma.de)

Produced with assistance by  
DFGE – Institute for Energy, Ecology, Economy  
Kreitstr.5, 86926 Greifenberg, Germany  
Tel.: +49 (0) 8192 / 99733-20  
E-Mail: [info@dfge.de](mailto:info@dfge.de)  
Internet: [www.dfge.de](http://www.dfge.de)