

COMMUNICATION ON PROGRESS

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01 Statement from the CEO

Statement from the CEO



At HRA Pharma we are first and foremost dedicated to our employees, customers and patients, putting their needs first for the benefit of our working environment and society at large.

To do this, we adhere to a stringent set of ethical policies, laws and regulations, which help us perform our best as a sustainable and forward-thinking company. Complying with the United Nations Global Compact principles forms an integral part of our ethical commitment, and is something we have proudly continued to adhere to for the past several years. The principles both drive our company culture and inform the decisions we make as HRA Pharma undergoes major growth expansion and engages in new project ventures.

Sharing our sustainable and ethical values with all our new partners, stakeholders and employees lies at the heart of our company mission and is constantly evolving as we adapt to the changes brought about by Covid-19. As the pandemic brings on many future challenges for our company, our top priority will be protecting our staff and the environment to come out stronger than ever before, both for HRA Pharma and the planet.

David Wright | CEO

02 United Nations Global Compact

United Nations Global Compact

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and the planet, but also setting the stage for long-term success.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

In October 2012, HRA Pharma formally joined the United Nations Global Compact and has since then systematically asked its trading partners to comply with it.

The principles of the Global Compact are rooted in HRA Pharma's day-to-day culture.

The Ten Principles of the United Nations Global Compact:

Businesses should...

HUMAN RIGHTS

- 01** Support and respect the protection of internationally proclaimed human rights.
- 02** Make sure that they are not complicit in human rights abuses.

LABOUR

- 03** Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 04** Advocate the elimination of all forms of forced and compulsory labour.
- 05** Defend the effective abolition of child labour.
- 06** Support the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- 07** Support a precautionary approach to environmental challenges.
- 08** Undertake initiatives to promote greater environmental responsibility.
- 09** Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- 10** Work against corruption in all its forms, including extortion and bribery.

03 The HRA Pharma Way

The HRA Pharma Way

Created in 1996, HRA Pharma was set up with the objective to provide innovative solutions to medical needs that had not been addressed previously by large pharmaceutical groups. Over 20 years later, HRA Pharma is becoming one of the fastest-growing and most innovative consumer healthcare companies in the world, with a focus on developing leading CHC brands and serving as a pioneer in the field of Rx-to-OTC switches.

The award-winning company is a leader within the market segments it operates in, having grown the brand with new products and expanded into new markets. It is number one in emergency contraception and blister care in Europe, and scar care in the USA, with its Rare Disease affiliate being the market leader in the treatment of Cushing's Syndrome.

HRA Pharma operates worldwide through its European subsidiaries and a strong network of distributors. By introducing new products into global markets, HRA has extended its products' availability to over 90 countries across Europe, South Africa, North America, Asia and the Middle East.

HRA Pharma aims to more than double in size by 2024 by focusing on a combination of swift switching, new products, geographic expansion and smart acquisitions. With the support of shareholders and the commitment of its teams, HRA Pharma will continue to empower people throughout the world to improve their lives by developing accessible, value added self-care solutions.





Empowering Lives with our Products

● Pioneers in women's healthcare

Since its inception in 1996, HRA Pharma has empowered generations of women across the world through its emergency contraceptive solutions, often despite opposition and controversy. Having launched the first levonorgestrel-based emergency contraceptive in 1999 and pioneered the creation of the OTC emergency contraceptive market in 2015, HRA is now the European leader in OTC emergency contraception with ellaOne®. The brand is distributed in more than 25 European countries with a market share close to 55% in value.

Our women's healthcare franchise, including innovative, value-added products and ambitious projects under development, constitutes a major engine of the future growth of HRA Pharma. The company is constantly expanding into new markets and growing its portfolio with new innovations in reproductive and women's health while pursuing ambitious development programs to switch drugs from Rx-to-OTC.

Since 2008, HRA Pharma has been continuously implementing its 'reclassification of ellaOne®' initiative, with the intention of raising awareness around emergency contraception and making the morning after pill easily accessible to women of all ages. The recent decision to make ellaOne® available without a prescription in Italy to girls aged 18 and under represents a huge step forward in HRA Pharma's mission to empower young women, allowing them to take control over their own body and sexual activity.

Dispensing with prescriptions for Italian women of all ages also forms part of HRA's broader ethical initiative to lower cultural and personal barriers relating to the use of emergency contraception.

Building on its contraceptive solutions, HRA Pharma also plans to launch the UK's first ever daily contraceptive pill available without a prescription. Following a groundbreaking collaborative reclassification process between the company and Medicines and Healthcare products Regulatory Agency (MHRA), the pill, branded as 'Hana', will see POP desogestrel 0.075 become available to women in pharmacies without a prescription in 2021.

Expanding on its commitment to empowering women through improved access to contraception, HRA Pharma is also launching Project Frieda in the US in 2023. The project is set to provide millions of women in the US with access to birth control without a prescription through the launch of the OTC contraceptive pill OPILL.

Both the launch of Hana and OPILL will make it easier for women in the UK and the US to access and use regular oral contraception, giving women more contraceptive options without needing a doctor's appointment.



The HRA Pharma Way Continued

● HRA Pharma Rare Diseases

Since 2003, HRA Pharma Rare Diseases has been a specialised affiliate business dedicated to improving the lives of patients with rare and ultra-rare conditions such as Adrenocortical Carcinoma (ACC) and Cushing's Syndrome (CS).

The affiliate is dedicated to serving the forgotten rare disease community by making sure that patients across the world have improved and continued access to the life-saving treatments that they need. By partnering with the rare disease community, the affiliate is committed to reducing the time to accurate diagnosis, enabling global access to treatment and offering improved experiences and outcomes for the long-term management of rare diseases.

In 2003 the affiliate secured the rights to sell Lysodren® in Europe, the only EMEA approved treatment to combat Adrenocortical Carcinoma, an ultra-rare, aggressive, and debilitating cancer most often discovered in its later stages. To ensure the safe and correct administration of this treatment, HRA developed Lysosafe®. This free service enables healthcare professionals to measure patients' mitotane plasma levels and is a crucial tool for patients' monitoring and safety.

Following the success of this treatment's introduction, HRA Pharma continued its dedication to rare endocrine patients by acquiring Metopirone® in 2011 and launching Ketoconazole® HRA™ in 2014. Both are used to treat endogenous Cushing's Syndrome, a debilitating and potentially life-threatening rare disease associated with significant morbidities and increased risk of mortality. The registration of Ketoconazole® HRA™ came about through the direct request from endocrinologists to HRA Pharma to make this vital product available to their patients.



With these two important medicines, HRA Pharma has become the market leader in the treatment of Cushing's Syndrome, continuing its commitment to supporting Cushing's patients all over the world by providing educational activities to healthcare professionals (HCPs) and supporting patient association groups (PAGs).

The driving goal of HRA Pharma Rare Diseases is to make the negative impact and lack of awareness of rare diseases even rarer. This is partially achieved through yearly support of the International Rare Diseases day and the Cushing's Disease Day by releasing patients' stories on the HRA Pharma Rare Diseases website. In addition, HRA Pharma Rare Diseases continues to cooperate with academic institutions to further invest and support research and development projects.

● Expanding Our Portfolio into Broader Consumer Healthcare Categories

In line with its growth ambitions within the consumer healthcare market, in 2017 HRA Pharma acquired the Compeed® brand from Cilag GmbH International, Johnson & Johnson Group. Compeed®, internationally known for its comprehensive portfolio of products for the relief and treatment of blisters, corns, calluses and cold sores, and available at the time in 26 countries, served as a key gateway in repositioning HRA Pharma as a leading CHC company.

Acquiring Compeed® enabled HRA Pharma to build on its commitment to supporting consumer wellbeing, providing those suffering from foot or lip wounds with a range of innovative and expert wound care products to help consumers continue living their lives unimpeded. In foot care, Compeed® is now the #1 brand in blister treatment, with more than 50% market share in Europe, whilst in lip care, Compeed® is #2 in cold sore treatments in Europe.

In 2019, HRA Pharma expanded Compeed® into the Middle East through a number of partnerships and stepped up its presence in China through a new subsidiary in Shanghai and a joint venture with specialty healthcare company Profex.

The acquisition of Compeed® has evolved the nature of our workforce through hiring those with specialist OTC experience. We are leveraging these skills to develop our growth in the OTC market, particularly through the research and the acquisition of new products.

Expanding on its commitment to improving the lives of consumers through wound care treatment, in 2019 HRA Pharma saw the acquisition of Mederma®, the US market leader in scar care. The company has been named #1 Pharmacist Recommended brand by Pharmacy Times and U.S. News & World Report for the past 17 years.

Acquiring Mederma represented a key stepping stone in HRA Pharma's goal to alleviate the emotional and physical burden experienced by consumers suffering from wounds.

As a global company, HRA Pharma has endeavoured to make its wound care expertise readily available to consumers worldwide. Mederma® has excellent consumer awareness and strong distribution in retail outlets and online sales, giving HRA Pharma a solid consumer healthcare platform in the US. The brand is also available in a number of countries in Europe, Latin America and Asia-Pacific, with HRA planning to increase this coverage to new markets in the future.





04

**Integrating the UN
Principles in our
Everyday Culture**

Integrating the UN Principles in our Everyday Culture

● Our Employees

At HRA Pharma, our employees are at the core of everything we do. With a strong people development philosophy, we encourage staff to contribute ideas, seek out new challenges and achieve their personal goals.

Trust, Passion and Results-Driven are the core values that define HRA Pharma, and are integrated throughout the business by our Momentum Ambassadors.

Our Momentum culture is designed to support internal communication and people integration to ensure an engaged and open-minded community at all levels of the business.

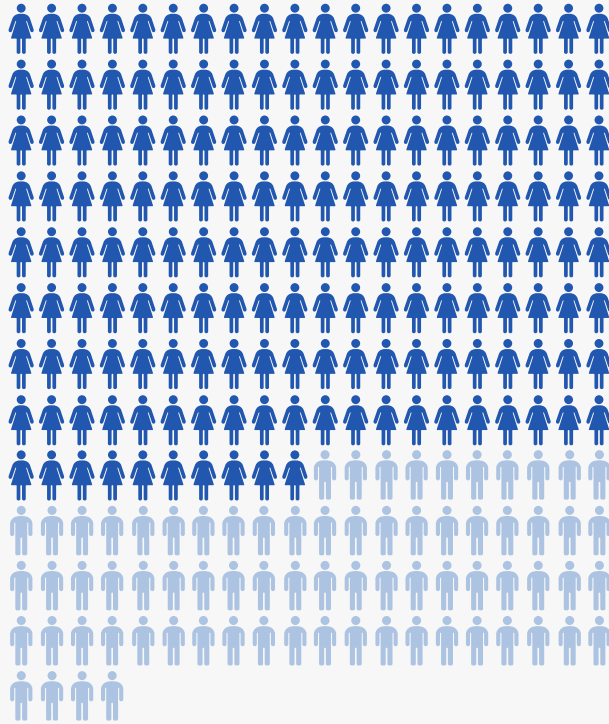
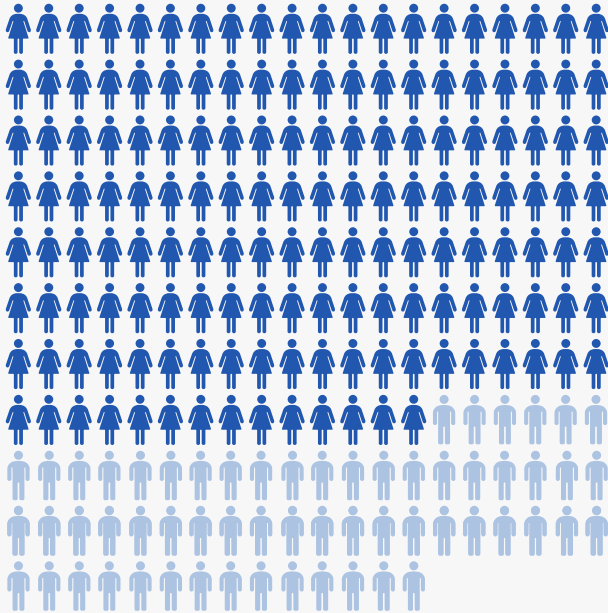
Our workforce is constantly growing, and as a result, the human resources department has expanded to constantly and effectively monitor the health, safety, professional training and fair treatment of employees.



Employee Breakdown 2019-2020

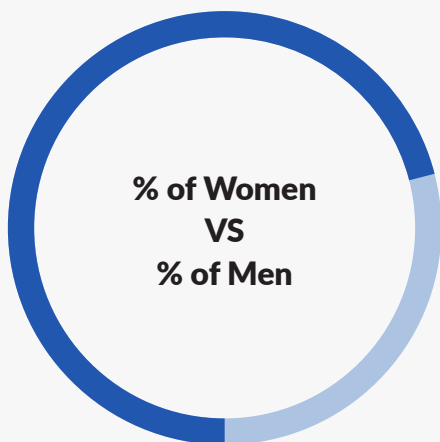
2019

2020

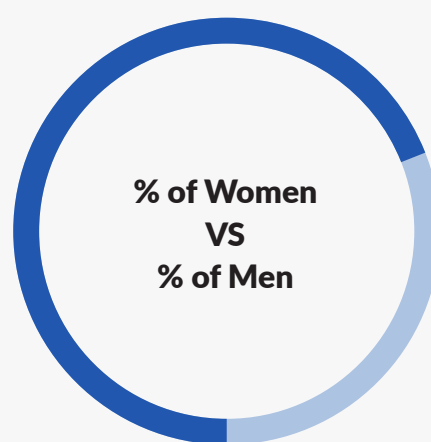


Total Employees	214
No. of Women	154
No. of Men	60

Total Employees	244
No. of Women	170
No. of Men	74



71.9%   28.1%



69.7%   30.3%

Integrating the UN Principles in our Everyday Culture

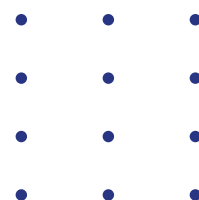
● Diversity and Inclusion

There is something special about working for HRA Pharma; a fast-growing, innovative consumer healthcare company that remains committed to its values, employees and those it serves. A key value at HRA Pharma is to create an inclusive work culture where everyone feels welcomed and accommodated to. Essential to achieving this is our Disability Policy, where we aim to foster a different approach to disability in the workplace and promote the employment of people with disabilities.

In 2019, HRA Pharma offered its first disability workshops for employees, created in partnership with Handiem and Kialatok. The workshops supported HRA Pharma's policy of raising awareness on how to integrate people with disabilities in the workplace not only amongst employees but also amongst managers and the HR team in their daily role of supporting and developing teams. Despite the restrictions put in place due to Covid-19 in 2020, HRA Pharma strengthened its commitment to diversity with a new series of disability awareness workshops with the same partners as the previous year.

Moreover, it is now possible for an employee with a recognized disability to benefit from two days of paid authorized absence per year, allowing them to attend medical examinations or to take specific steps related to his or her status as a disabled worker.

HRA Pharma also strives to create an inclusive work environment for parents, adhering to a Parenthood Support Policy for all employees. In order to support employees with young children, the company is a partner in a network of crèches and finances several cribs throughout the year. For children who cannot attend a crèche, HRA also finances CESU tickets to financially support daycare for children under the age of three.





● Gender Equality

HRA Pharma maintains its commitment to diversity and inclusion throughout all levels of the business. Women hold key roles in all departments, including: marketing, regulatory, pharmacovigilance, medical, quality, research, manufacture, supply chain, legal and compliance, accounting and finance, and human resources.

In 2019, the French government put in place a new publication based on a Gender Equality Index to address gender equality in companies.

The publication was created to measure the effectiveness of corporate gender equality policies and to highlight potential differences in the treatment of men and women in business in terms of compensation. Based on five main criteria and marked on 100 points, the publication allows the government to take action where needed.

HRA Pharma scored extremely well on the Index, securing 81/100 points in 2020, with any score above 75 points requiring no corrective actions on behalf of the government.

Integrating the UN Principles in our Everyday Culture

● COVID-19

The impact of Covid-19 has pushed the health and safety of our employees to the forefront, leading us to implement various initiatives throughout 2020 to manage the current health crisis with the highest vigilance and prudence to protect our employees. When the pandemic broke out, HRA Pharma created an internal communications programme to provide employees with detailed facts about Covid-19, pandemics and the different ways they could protect themselves during the crisis, with a list of resources for further information.

As part of our commitment to supporting employees with childcare responsibilities, HRA Pharma's Covid-19 internal communications programme also offered advice and guidance on remote working with children at home, with a list of learning resources and activities for children. The company also continued to advocate wellbeing amongst employees with a series of interactive videos on stress management and wellbeing tips.

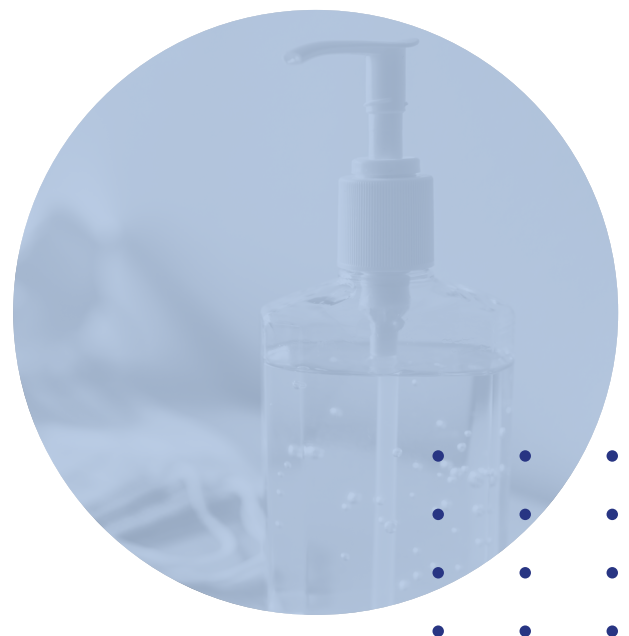
During the period of phased returns to offices, HRA Pharma ran an internal 'Covid-19 return to office programme' that provided employees with posters and guidelines on all the information they would need to return to the office safely. The programme also included a short questionnaire to be completed before entering any of the HRA Pharma offices.

In addition to these initiatives, HRA Pharma maintained regular dialogue with employees to keep them informed of any important updates, and offered a free flu vaccination campaign in the company's headquarters in Châtillon. The National Health Insurance Flu Vaccination Campaign began in October 2020 and was presided over by an ACMS (Occupational Health) medical team.

When lockdown came into force, HRA Pharma still offered the possibility for employees to get vaccinated in the office by respecting all the Covid-19 sanitary measures in place, and even offered a taxi service for those who wished to come in.

At HRA Pharma, we strive for a working environment based on mutual respect and trust. Our care for the wellbeing and work-life balance of our workforce to ensure a satisfying professional life and improved company performance is reflected in our various employee benefits, including access to corporate health insurance, flexible working and child-care assistance at head office level.

To reflect the changes brought on by Covid-19, in 2020 we modified our temporary teleworking charter by extending it to two days and developed home-office tools and ergonomics guidance to enable each person to work to the best of their ability, wherever they may be. Additionally, during lockdown we allowed our staff to work from home full time to ensure maximum protection for our employees.



05 Meeting our Ethical Responsibility

Meeting our Ethical Responsibility



Compliance Training Program

At HRA Pharma we adhere to stringent compliance policies and it is our top priority to ensure our employees are in complete alignment with these policies. In 2020 a new Compliance Training program was created on iDevelop, HRA Pharma's e-learning platform in order to raise awareness around anti-corruption and compliance. The program was a great success, with modules targeting different aspects of compliance and regulation across the business, and all had a very high completion rate:



At HRA Pharma we believe our staff have the responsibility to protect our company's good name by behaving ethically and identifying what is and what is not ethical behavior. To this end, our Ethics in the Workplace training provides guidance to employees on how to create a positive working environment, when to speak up, and how to behave ethically in the workplace.



Despite having dedicated teams that monitor cybersecurity, HRA Pharma also relies heavily on its staff in the fight against security breaches. For this reason, the training course provides employees with comprehensive cybersecurity training to help them protect HRA Pharma's company information against loss and teach staff how to defend the company against attack.





The Anti-Bribery and Corruption course is an interactive and engaging training course to help employees understand their role and responsibilities in protecting the business from the risk of bribery and corruption.



We rely on our staff to help ensure we comply with all export controls and regulations by providing them with a strong understanding of how exports are classified and what the different classifications mean. The Trade Compliance course outlines the key questions employees need to answer regarding export control, helping staff identify the red flags they should be aware of.



Third Party Due Diligence and Transparency

HRA Pharma adheres to stringent anti-corruption measures with its partners, which was reflected in its commitment to carry out 19 third party due diligence assessments in 2020 to confirm their legality and legitimacy before entering into transactions with them. The aim of the due diligence assessments are to identify and mitigate anti-bribery and anti-corruption risks that may potentially arise in transactions with third parties to ensure compliance with HRA's code of ethics and anti-corruption compliance policy.

As HRA Pharma is a global company, we follow a stringent set of procedures when interacting with Healthcare Professionals (HCPs) and Healthcare Organisations (HCOs). Part of this procedure is the requirement to disclose all of our transactions with HCPs and HCOs worldwide, adhering to and respecting the distinct regulations of each country we engage with.

To this effect, the HRA HQ and HRA Subsidiaries must ensure that routine collaborations with HCPs and HCOs are in accordance with relevant applicable codes of conduct and legislations in place, and that all Transfers of Value (ToV) are recorded and reported in accordance with the local codes of conduct and legislations in place.

The Legal Affairs department also introduced new tools enabling it to digitalise their due diligence and transparency activities so that all the important information and data can be found in one place. This marks a significant step forward from HRA Pharma's previous interactions with HCP and HCOs and other third parties carried out via email or phone.

Meeting our Ethical Responsibility



Protecting Personal Data

In order to reinforce HRA Pharma's culture of protecting personal data amongst all employees, HRA Pharma launched an e-training platform and periodical newsletter in addition to offering a model contract including a detailed description of instructions from the data controller to its processor. 2020 also saw the mapping of personal data processing, which included interviews with activity leaders and a review of the treatment register.

Our teams have endeavored to both comply with GDPR and provide all those whose personal data is processed, including employees, with clear and relevant information to understand how HRA Pharma proceeds. In line with this objective, the company launched a GDPR contact point network in all the company's subsidiaries.



Right to Disconnect Charter

In order to support HRA Pharma's digital transformation journey, the company signed the Right to Disconnect charter in 2020. The charter reflects its commitment to regulate the use of digital tools and to promote a reasonable management of information and communication technologies. Disconnection is the co-responsibility of both the employer and the employee, where the search for solutions to encourage disconnection results from responsible individual behaviour and the company's desire to regulate the use of digital tools.

In signing the charter, HRA Pharma adheres to four major commitments that respect employees' working conditions. This includes the good management of digital tools, promoting flexibility and disconnection, and offering training and raising awareness, all under the guidance of exemplary managers that strive to create a working environment conducive to the respect of this Charter.



Fostering Social Dialogue with Representatives

HRA Pharma has three CSEs (Economic and Social Committee) for each of the company's respective French entities: Laboratoire HRA Pharma, HRA Pharma France and HRA Pharma Rare Diseases, in addition to a Central CSE that links them all together. Every month a meeting is arranged with each of the CSEs, in addition to two annual meetings with the central CSE.

In certain circumstances, HRA Pharma also organises extraordinary meetings, such as occurred in 2020 with 14 extraordinary meetings organised with the central CSE. During Covid-19, informal meetings were also carried out to provide as much feedback and information as possible on what decisions to make in order to protect employees.



Maintaining Equitable Solutions and Complying with the Labour Law

All of HRA Pharma's recruitments are managed equitably by hiring people based on purely objective criteria, taking into account the experiences, knowledge and soft skills of the applicants.

HRA Pharma also complies with the labour law in all aspects of its HR management by carrying out a legal watch and studying all legal aspects in order to apply the latest legal measures.



06 **Commitment to Sustainability**

Commitment to Sustainability

As HRA Pharma does not directly manufacture the products it sells, it remains very vigilant in the choice of its contract manufacturing organisations (CMOs) and other service providers. We have set a level of environmental compliance requirements to which all CMOs, carriers, and other partners must respond to. HRA Pharma also carries regular physical audits of its partners.

All of our major CMOs adhere to Eco-Management frameworks. Some examples are:

Delpharm, Cenexi and Corden

ISO 14001
(Environmental Management System) certified

Coloplast

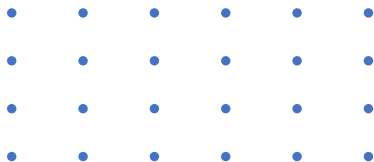
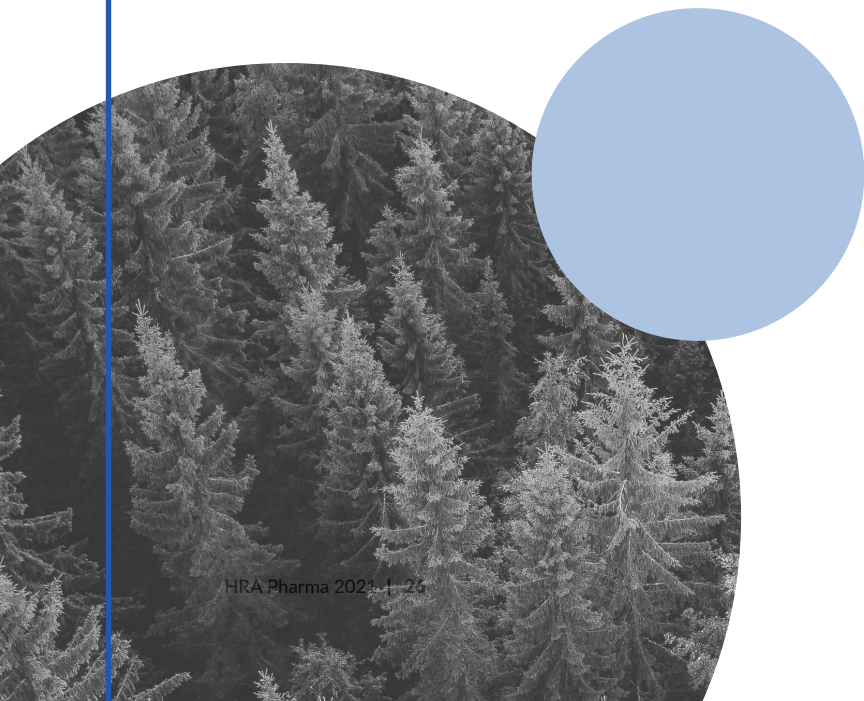
part of the UN Global Compact and ISO 45001 (Health & Safety Management Standard) certified

Minakem

Merz

HRA Pharma is also dedicated to ensuring that its internal environmental efforts match the level of requirement it demands from its partners. Our new headquarters in Châtillon continues to improve our environmental footprint, with a strong focus on energy conservation, recycling, waste and travel limitation.

While work still remains to be done, the results from HRA Pharma’s Carbon Footprint Assessment and the Freight-in CO2 Emission reports show that we are on the right track to fully integrating sustainability within our day-to-day business practices.



● Carbon Footprint Assessment

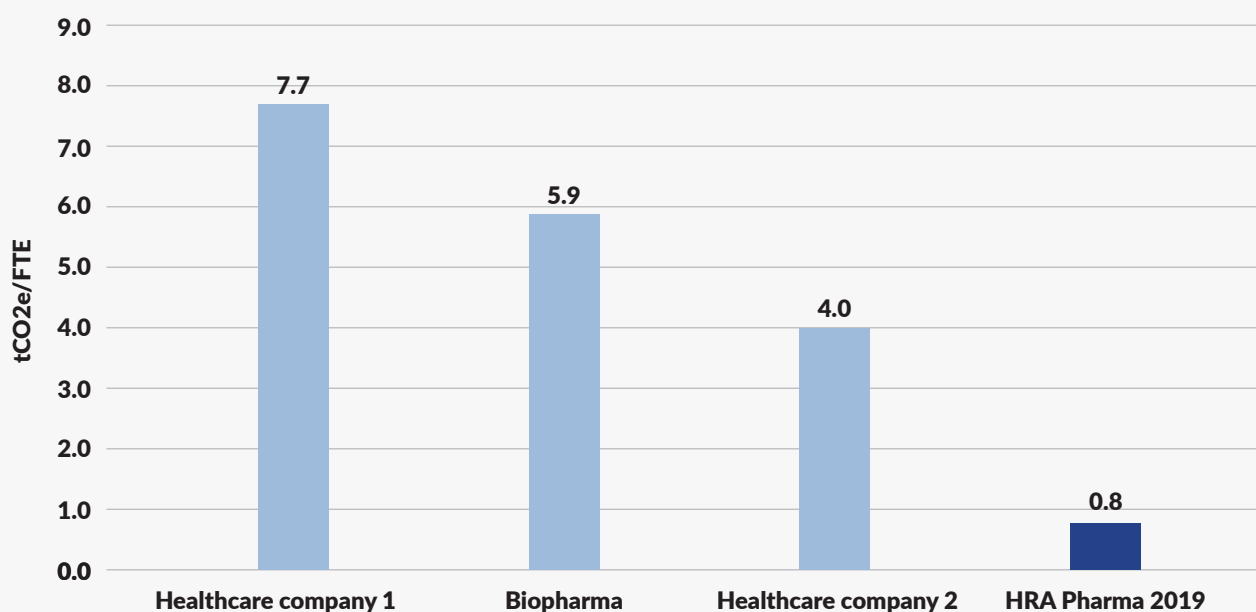
Reducing the carbon footprint of our company is something that HRA Pharma takes very seriously, with a focus to becoming a CO₂ neutral company through fostering more green initiatives. For this reason, in 2019 HRA Pharma went through a carbon footprint exercise performed by CO₂Logic, which measured HRA's direct emissions of buildings and cars.

All scope 1 (direct emissions) and scope 2 (indirect emissions from electricity or heat purchase) were taken into account when calculating HRA Pharma's carbon footprint, in addition to scope 3 emissions. Scope 3 includes upstream emissions from fuel (extraction, transformation, transport), network losses from electricity, purchased goods, services and capital goods, upstream transportation and distribution, business travels and commuting.

HRA Pharma's absolute climate impact, taking into account the full scope, represented 516 tCO₂e/FTE. In order to compare HRA Pharma's performance among same sized companies, CO₂Logic narrowed the boundary to scope 1 and 2 and their respective upstream impact, reducing HRA Pharma's footprint to 830 kgCO₂e/FTE.

Compared to competitors, HRA Pharma had a lower climate impact per FTE (full-time equivalent), which was largely due to the low energy intensity at the different HRA Pharma offices.

Benchmark between HRA Pharma and similar businesses -Incl. scope 1,2 & upstream & losses -FY2019



Commitment to Sustainability

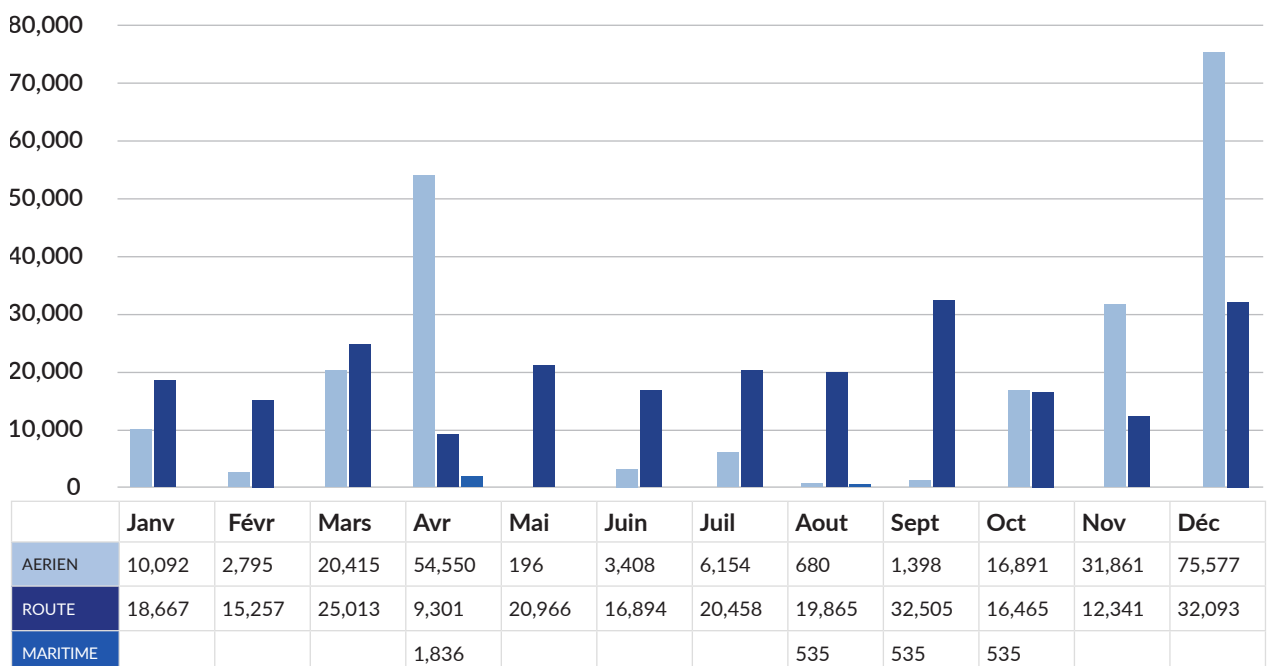
● Freight-in CO2 Emission Reports

Transport is certainly a significant contributor to high levels of CO2 emissions, and for this reason HRA Pharma completed a Freight-in CO2 Emission Report in 2019 and 2020 to keep track of the impact of its CO2 emissions for road, air and maritime transport.

Total CO2 emissions by transport mode (kg)



Total CO2 emissions per month per transport mode (kg)



● Reforest'Action

As part of its commitment to the environment, HRA Pharma is a supporter of Reforest'Action, a French B Corp certified company and forest specialist that specialises in crowdplanting, with the aim of preserving, restoring and creating forests worldwide. Reforest'Action has financed over 10 million trees in 25 countries with the help of 2,000 companies and 200,000 citizens.

In line with the mission of Reforest'Action, HRA Pharma financed the planting of 1,050 trees during the 2020-2021 planting season. The trees planted will provide numerous socio-environmental benefits, including the storing of 158 tons of CO₂, the creation of 3,150 animal shelters and 150 days of work, and the generation of 350 years of oxygen.

Breakdown of countries where trees were planted:





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