

**We improve the lives
of people suffering
from mental illness and
substance use disorders**

STATEMENT BY THE CEO

Orexo's Sustainability Report is prepared in accordance with the Swedish Annual Accounts Act and it also act as our Communication on Progress according to the reporting guidelines of the UN Global Compact. I am pleased to re-affirm Orexo's support of the Ten Principles in the areas of Anti-Corruption, Human Rights, Environment and Labor.

Yours sincerely

Nikolaj Sorensen
President and CEO

Sustainability Report

2020

What we do matters

“



Orexo strives to develop products that improve the quality of life for patients. In order to succeed, we must focus on sustainable operations. We do this by investing in innovation and partnerships, whilst taking responsibility for our business methods, reducing our climate impact and work for a sustainable supply chain. Our employees are our most important resource. To achieve our ambitions their well-being and our ability to offer a safe workplace where everyone feels respected and valued remains a top priority.

Cecilia Coupland, Vice President and Head of Operations,
management representative in Orexo Sustainability Team

Sustainability report

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UN Global Compact

Human rights

Principle 1 36–37, 40–42	Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2 36–37, 40–42	make sure that they are not complicit in human rights abuses.

Labour

Principle 3 33, 36–37	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4 36–37	the elimination of all forms of forced and compulsory labour;
Principle 5 36–37	the effective abolition of child labour; and
Principle 6 35, 36–37	the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7 38–39, 36–37	Businesses should support a precautionary approach to environmental challenges;
Principle 8 38–39, 36–37	undertake initiatives to promote greater environmental responsibility; and
Principle 9 38–39, 36–37	encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10 40–42	Businesses should work against corruption in all its forms, including extortion and bribery.
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Framework

UN Agenda 2030

The UN Sustainable Development Goals sets an ambitious and necessary agenda to lead the world towards more sustainable development. Orexo's operations has a direct and indirect impact on several of the goals. Orexo has the greatest impact on the sustainability goal number 3 "Good health and well-being".

UN Global Compact

The organizations that participate in the UN Global Compact commit themselves to living up to ten principles regarding human rights, environmental impact, working conditions and anti-corruption, and respect these throughout their value chain. As a participant in the UN Global Compact, Orexo's sustainability agenda builds on and follows these principles. The principles give the company the long-term focus and the direction required to create a positive change in the business.

ILO core conventions

Orexo complies with the International Labor Organization's (ILO) eight core conventions, which constitute a minimum standard for working conditions, all over the world. It is about basic human rights in working life.

UN Guiding Principles on Business and Human Rights

Orexo follows the UN's Guiding Principles on Business and Human Rights. These principles were adopted in 2011 and mean that an activity should not contribute to human rights violations and that companies should act to prevent such.



THE GLOBAL GOALS
For Sustainable Development



**UNION
TO UNION**
LO, TCO & SACO GLOBAL

We improve the lives of people

People staying healthy, are able to work and take care of their loved ones is Orexo's ultimate goal and the company's biggest contribution to a sustainable society. On the way there, we will carry out our work in a way that benefits a sustainable ecosystem. Through a clear sustainability agenda that permeates the entire business, we are involved and contribute to a more sustainable world in the long term.

In recent years, it has become increasingly clear that mental health plays an important role in a well-functioning society. Depression is the most common disability and drug abuse, which can lead to chronic substance addiction, continues to be on a rise across the world.¹ About 270 million people use drugs in the world today. Opioids cause the most harm and account for the majority of drug-related deaths.² Opioid abuse is most common in the US, where one-fifth of those addicted to opioids live.³ In the US, the problem has reached epidemic proportions. The most common cause of death for those under 50 is overdose, primarily caused by opioid abuse. Alcohol dependence is another serious health crisis in the US with 16.6 million people suffering from severe alcohol abuse.⁴

Impact of the pandemic

Mental illness and substance use disorders are on the rise in the wake of Covid-19 and in 2020, WHO called on countries to take measures necessary to alleviate the impact on individuals, families and communities. The financial consequences are far-reaching. In addition to loss of life and reduced quality of life, large costs are associated with lower productivity and lack of resources, as well as increased costs for health and prison care.

Treatments that save lives

Orexo develops and commercializes pharmaceuticals and digital therapies. The company's products are developed to meet the needs of patients who suffer from mental illness and substance use disorders. The products are commercialized in the US and since 2013, patients suffering from opioid dependence have been treated with Orexo's lead pharmaceutical ZUBSOLV®. In 2020, the company launched the evidence-based digital therapies vorvida® and deprexis® for the treatment of alcohol

abuse and depression in the US market. modia™, a digital therapy for opioid addiction, will be launched in the US market in 2021. Major investments are also being made in the pharmaceutical pipeline, where the most advanced project, OX124, a rescue medication for opioid overdose, is expected to reach the US market in 2023.

Governance and guidelines

As part of its commitment to sustainable development, Orexo implements and communicates its ambitions in the area of sustainability through a sustainability group. The group includes representation from management and other relevant functions with the ability to influence the company's policies and strategies. Progress in sustainability work is reviewed quarterly and the results are reported to top management.

To achieve the company's sustainability goals, Orexo implements and integrates the company's values among its employees and business partners using the company's policies. Orexo's policies are intended to guide managers and employees in their day-to-day work and are in line with international standards and well-known initiatives, such as the ILO conventions and the UN Guiding Principles on Business and Human Rights. Orexo is also a participant in the UN Global Compact. For more information on frameworks see page 27. The Swedish head office, where research and development are also conducted, is responsible for developing and maintaining corporate governance both for the Swedish parent company and its subsidiary, Orexo Inc, in the US. The majority of the commercial activities are run by Orexo US Inc., which also manages a number of guidelines adapted to local expectations and conditions in the US. Further details regarding governance and guidelines are described under each focus area.

270

million people are
drug abusers in
the world today.

¹ World Drug Report

² World Health Organisation

³ World Drug Report

⁴ Substance Abuse and Mental Health Services

Orexo's sustainability agenda

Innovation and partnership

Finding more and better solutions is crucial to reach more patients and to achieve good health and well-being. Read more on pages 30–31.

Sustainable supply chain

All our production is outsourced to contracted manufacturers. Management of and collaboration with all suppliers are therefore of great importance for success. Read more on pages 36–37.



People and society

Orexo's staff is our most important asset and wellness; safety and being inclusive are high on the agenda. Orexo continues to work for a better society by reaching more patients and contributing to the local community. Read more on pages 32–35.

Environment and climate change

Working for better resource efficiency and reduced climate impact key within for our sustainability efforts. Read more on pages 38–39.

Responsible business

Orexo operates in a market and industry where ethics and transparency are instrumental. The overall corporate governance, the work for transparency and to combat corruption is described on pages 40–42.

Orexo is committed to contributing to a sustainable future by taking responsibility and integrating the sustainability agenda into the entire business. To contribute with the right focus and management of both risks and opportunities, the agenda includes activities with both short- and long-term objectives in areas that represent the most important sustainability challenges the company faces.

Orexo's sustainability agenda is based on four overall focus areas, which are a) Innovation and partnerships, b) People and society, c) Sustainable supply chain, and d) Environment and climate change. These focus areas were identified through risk assessments of the environmental impact, safety and health and through employee surveys. A dialogue with various parts of the organization and with external stakeholders has also been important for the identification of focus areas.

Responsible business is central to all our activities and a foundation in the sustainability work. The company's code of conduct sets the framework and direction for our efforts in this space.

Orexo supports Agenda 2030 and our main focus is on Goal 3: Good health and well-being and in particular sub-goal 3.5: "Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.", which has a strong connection to our business' ambition to prevent and treat mental illness and addictive diseases.

To further develop the sustainability work in relation to Agenda 2030, Orexo will in 2021 participate in the UN Global Compact program "SDG Ambition Accelerator", a program that will contribute to set more ambitious and clear goals in line with the Sustainable Development Goals.

Innovation and partnership

Orexo's development is based on innovations made possible by the interaction between skilled researchers and experts with different scientific backgrounds. Innovation is at the core of the continued development of new formulation technologies and early development projects in order to be able to offer patients all over the world even better medicines.

Milestones and initiatives

Our ambition	<ul style="list-style-type: none"> • The ambition to become a leading player within the large and growing space of mental illness and substance use disorders
Important issues	<ul style="list-style-type: none"> • Prevent and treat substance use disorders and mental illness through new innovations and partnerships
Important milestones and initiatives 2020	<ul style="list-style-type: none"> • Launch of vorvida® and deprexis® in the US • Partnership with Accord Healthcare for the commercialization of ZUBSOLV® in Europe • Start of SweDelivery, a world-leading competence center for drug delivery • Lyfebulb challenge, where Orexo hosts an innovation challenge aimed at patient entrepreneurs

At Orexo, every year we are involved in many different collaborations and partnerships with stakeholders around the world to develop improved drugs and therapies to help people suffering from mental illness and substance use disorders. The relations and knowledge from these add great value to our research and development of future innovations and new products.

The financial stability that ZUBSOLV® has created has enabled us to make new investments in both partnerships, new own product development projects and to contribute to university-related projects. Orexo as a small but research-heavy company see the importance of good universities and educations. We contribute both financially and with knowledge to universities through various collaborations.

Accord Healthcare

In December 2020, Orexo entered into a licensing and delivery agreement with Accord Healthcare to make ZUBSOLV® available on the European market. The common goal is to ensure that people have increased access to treatment options. With the agreement, people in 29 additional countries will have access to ZUBSOLV®.

Partnership for digital therapy

To address the lack of psychosocial counseling in the treatment of opioid-dependent patients, Orexo entered into a partnership with GAIA in 2019 to develop a digital therapy for opioid dependence, modia™.

GAIA is a global leader in digital therapies (DTx) and successfully launched its first product in 2001. With a very clear focus on research and development of evidence-based, fully automated online interventions, the company continuously sets new benchmarks regarding clinical efficacy and safety profile for digital therapies in neuroscience, immunology, oncology and behavioral medicine.

With more than 140 experts in areas such as medicine, psychology, behavioral medicine, software development, as well as regulatory processes and health economics, GAIA is one of the world's most experienced and largest players in the development of next generation digital solutions to support and treat patients with a wide range of medical problems.

The cooperation with GAIA has deepened since Orexo acquired the evidence-based digital therapies vorvida® for alcohol abuse and deprexis® for depression.

29

additional countries
will have access to
ZUBSOLV®



From left, Andreas Fischer, Senior Principal Scientist, Jonas Sävmarker, Senior Principal Scientist and Anneli Wennman, Analytical Chemist
Photo: Jenny Lagerqvist

Innovations

In 2020, Orexo continued to have a strong focus on the OX124 development project, a project based on new technology for an intranasal formulation to develop an emergency drug that is faster and more long-acting and thus more effective in reversing overdoses caused by synthetic opioids. The project is on its way into the final development phase and is expected to reach the US market in 2023.

SweDeliver

In January 2020, SweDeliver, a world-leading research and competence center in drug supply, launched with Orexo as one of several industry partners. SweDeliver is based on interdisciplinary collaboration between academia and industry with financial support from Vinnova, Sweden's innovation agency. The Faculty of Pharmacy at Uppsala University is the academic hub of the center. The scientific focus is on important research challenges in parenteral, oral and pulmonary drug delivery. In addition to this, young researchers are given the opportunity for education and career development. The goal of the center is for research to lead to the development of new and improved drug treatments. Orexo provides financial support, scientific expertise, an industrial perspective, and mentorship to young researchers.

Collaboration with universities

Orexo continuously provides university students with thesis project opportunities. In 2020, we have had four students who have done their work with us. These collaborations primarily aim to strengthen the development of future pharmaceutical researchers, which ultimately benefits global health and well-being.

Lyfebulb challenge

Together with Lyfebulb, Orexo hosted an innovation challenge aimed at patient entrepreneurs in 2020. Lyfebulb is a platform for patient development that connects patients with industry with a focus on finding solutions to chronic diseases. The challenge was aimed at solutions for "Substance Use Disorder". The winner, Lief Therapeutics, had developed a portable device that helps reduce stress and anxiety in real time with the help of heart rate variability biofeedback training. The winner received a USD 25,000 grant.

People and society

Our staff are of the greatest importance to us. When our employees stay healthy, commitment and the right conditions are created for creativity and innovation. Our workplace must be both safe and healthy, so that every employee feels respected and is valued. We also believe that a diverse workplace creates greater opportunities for new perspectives and new ideas.

Goals and results

Our ambition	<ul style="list-style-type: none"> • To offer a safe and healthy workplace where everyone feels valued and respected • To offer safe and high-quality products that reach more patients
Important issues	<ul style="list-style-type: none"> • An equal and non-discriminatory workplace • Good health and well-being for our employees and a safe workplace • Increased access to safe products with a high quality
Goals and activities 2020	<ul style="list-style-type: none"> • Identify and carry out activities that highlight factors that cause stress and symptoms of stress, in order to reduce the risk of work-related fatigue • Handle changes in the physical and psychosocial work environment as a consequence of the prevailing pandemic
Important events and results 2020	<ul style="list-style-type: none"> • Introduction of monthly monitoring of the work situation • Targeted risk assessments specifically for remote work • Improved teleworking with new equipment and digital solutions • Start-up of programs giving healthcare professionals the opportunity to use our digital therapies free of charge

The year 2020 has been challenging for employees. Our focus during the year has been to ensure that our staff stay healthy under the changed circumstances. The pandemic has left its mark on our main market, the US, which in turn has led to indirect effects such as deteriorating psychosocial health and reduced access to care for certain groups.

Safety and access for patients

It is of utmost importance that medical devices and medicines meet the high standards that exist in order not to jeopardize patient safety. Quality work is high up on the agenda and we receive few complaints (less than one in one million packages sold). In addition to complying with legal requirements, we work continuously with product care. With this as a base we can proudly continue our work to ensure our products reach even more patients globally.

Increased access to ZUBSOLV®

For more patients to have access to ZUBSOLV®, we are currently running three programs that provide financial support to patients.

- ZUBSOLV® Patient Assistance Program. This program provides free ZUBSOLV® to those patients that meet the US poverty level requirements.
- ZUBSOLV® Co-pay assistance program. This program saves patients significant amounts of out-of-pocket money when they pick up their ZUBSOLV® prescription and use the co-pay card.
- ZUBSOLV® 15 tablet voucher program. A patient on ZUBSOLV® can get two free 15 tablet vouchers (30 ZUBSOLV® tablets in total).

The programs have been around since 2013 and have helped many patients. Nearly 3,000 patients have received help through the ZUBSOLV® Patient Assistance Program, more than 150,000 co-pay cards and over 200,000 tablet vouchers have been distributed.

3,000

patients has received help through the ZUBSOLV® Patient Assistance Program

The pandemic has increased the need for therapeutic support

The Covid-19 pandemic has left its mark on American society, especially among medical staff and healthcare workers at the forefront. During the pandemic, there has been an increase in levels of depression, anxiety and substance abuse among those who work in healthcare. In 2020, we launched two digital therapies through FDA approvals, vorvida® and deprexis®. These digital therapies have been scientifically proven to help people with alcohol dependence problems and depression through cognitive behavioral therapy. During the year, we had the opportunity to contribute our digital therapies in two programs for healthcare professionals. Orexo partnered with the Texas Nurses Association¹ and with Trinity Health in North Dakota,² and through these collaborations, all employees get access to the digital therapies free of charge. The use of the therapies is voluntary and completely anonymous.

During the fourth quarter, a total of 95 unique logins were distributed to staff within the programs. The work will continue in 2021 and will be further developed to include, among others, larger addiction clinics. We also offer all our employees and their families access to our digital therapies.

An engaging workplace

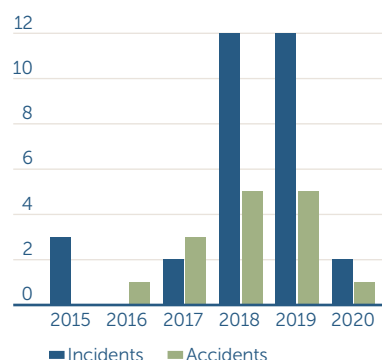
Orexo's employees contribute every day to the development of our business. The success of the business is based on the employees' commitment and well-being. Our priority is therefore to attract and retain the best individuals by offering a safe and healthy workplace where everyone feels valued and respected.

All work with health and safety in the workplace is governed by the company's overall work environment policy. This is linked to routines describing the relationship between the employer and employees and their respective obligations and rights. These include areas such as recruitment, equal treatment, gender equality, discrimination, conflicts of interest as well as health insurance and other employment benefits.

Working environment

Orexo's work with health and safety in the workplace is led by the company's safety committee. The basis of the work is the company-wide risk assessment which is updated annually. Goals and activities are decided based on the risk assessment as well as specific issues identified at discussions in regular meetings held by the safety committee. The greatest risks identified by the company are linked to psychosocial stress due to a high workload, but also risks linked to the handling of active pharmaceutical ingredients and other hazardous substances.

Reported accidents and incidents



In 2020, management, HR and the safety committee worked together to meet the health-related challenges posed by the pandemic. Measures included making sure each individual had regular dialogue with their manager, creating conditions for working remotely, and assessing the perceived effects of the pandemic on the physical and mental work environment. Working from home for a long time can result in a lack of inclusiveness and social interaction. This is a work environment risk and Orexo will continue this work in 2021. More information about how these issues have been handled can be seen in the section "Working conditions during the pandemic".

In order to better monitor the well-being of employees, monthly surveys were started in the autumn of 2020. In these surveys, questions are asked in three areas: Work situation, Well-being, and Communication & Participation. These surveys measure the situation for each department and group and can assist managers to create and engage in dialogue with their staff. It is also used to give an overall picture at a company level.

Our annual employee surveys³ are a key factor in examining the work environment. The results are always discussed by management, but are primarily used as a tool at the group and department level to take concrete actions to improve the work environment. Each group has its challenges, which are reflected in the result. The results in recent years have been positive. However, it is our responsibility to investigate areas that do not have consistently positive results and not to become complacent due to positive evaluations and outcomes.

Many chemical substances, including active pharmaceutical ingredients, are handled in our labs. It is therefore important that solid risk assessments are carried out and that these substances are handled in an adequate manner.

¹ <https://www.texasnurses.org/news/544391/Deprexis-Free-Digital-Therapy-for-Nurses.htm>

² <https://www.trinityhealth.org/digital-therapies-help-frontline-workers-cope-2/>

³ Springlife employee survey Orexo AB, DecisionWise Orexo US Inc



Performance indicators

	2020		2019	
	Parent	Group	Parent	Group
Types of employment¹				
Number of employees	53	138	54	127
employees with a permanent contract	98%	100%	100%	100%
employees with a temporary contract	2%	1%	0%	0%
Consultants	33%	18%	15%	11%
Gender equality				
Female employees	55%	59%	54%	50%
women in management positions	33%	40%	38%	44%
women in executive management team	13%	13%	13%	13%
Women in board of directors	38%	38%	38%	38%
Other data				
Employee satisfaction index ²	80	82,5	81	82
Employee absence due to illness	1,8%	1%	2%	1%

¹ Include employees employed by the parent company Orexo AB or the subsidiary Orexo US Inc., consultants are excluded.

² Springlife (Orexo AB), DecisionWise (Orexo US Inc.). Values above 70 indicate that conditions in the workplace are good.

To make better assessments, Orexo always orders reports on active pharmaceutical ingredients from a toxicologist. Toxicological data is compiled in the reports and a hygienic limit value is calculated based on this data. This is done to supplement the sometimes deficient safety data sheets that are available from the suppliers in order to make better risk assessments. In 2020, 10 new active pharmaceutical ingredients were introduced.

In 2020, two incidents and one minor accident were reported. Both the accident and the incidents were related to the handling of chemical products in the labs. None of these were of serious nature or led to any personal injury. One of the incidents led to a clarification of the actions and procedures of the subcontractor who handles the goods receipt. This clarification stipulates that they must not handle broken goods since these may contain hazardous substances. Instead broken goods should be dealt with according to established routines and returned to the supplier.

Working conditions during the pandemic

The pandemic has affected Orexo in ways similar to most other companies. Different measures have been taken to ensure that Orexo contributes to reducing the spread of infection, including allowing all staff who can work from home to do so.

During the year the work has become more digital and we have learned to use the online platforms in new ways and on a completely different level. Some of the digitalization work that Orexo carried out in 2020 was to introduce Microsoft Teams throughout the company and to install video equipment that is integrated with Teams in several conference rooms to facilitate and enable better video meetings. Furthermore, software was installed on computers with the aim of being able to perform installations and updates automatically without having to attend the office.

The change has also meant new challenges for both our employees and leaders, such as switching to remote leadership, adapting to working from home and a lack of social contacts. We have systematically examined the work environment to see how this new reality has affected our employees. This has been done through regular conversations between managers and employees, but also through the monthly surveys that were started in the autumn.

Towards the end of the year, we added two questions about Covid-19 linked to both the physical and psychosocial work environment. The results showed, as expected, that many employees feel that their work environment has been negatively affected. We follow this closely and each manager has a dialogue with their staff and how we can support them during this challenging time. An important factor in dealing with both physical and mental stress is daily physical exercise. To promote this, a collaboration with IMR, the Institute for People in Motion, has started, and all our employees can work with their own health journey for 6 months from their individual starting points.

Diversity and gender equality

We are convinced that employees of different ages, genders, backgrounds and experiences contribute to new thinking and innovative solutions. Diversity and gender equality are therefore important for us to achieve our goals and ambitions.

Orexo protects everyone's equal rights and opportunities, as clarified in our Plan for equal rights and opportunities. Being able to combine employment at Orexo with parenthood is a matter of course, and whether it is through parental leave, childcare, or other accommodation, Orexo aims to have flexibility to get a work-life balance. As part of this, the company supplements the governmental parental benefits during the parental leave period and also provides a supplement for temporary parental benefit.

In the salary survey carried out during the year, no unreasonable salary differences were discovered.

The work against discrimination within Orexo aims to ensure equal rights for all employees in terms of working conditions, development opportunities, careers, employment and labour rights. Furthermore, the unique experiences and characteristics of each individual must be recognized and where they can contribute within the company, encouraged and utilized. Sexual harassment and abusive discrimination shall not occur and we shall have equal pay and working conditions for the same work. In 2021, we will continue the work on our Plan for Equal Rights and Opportunities.

Sustainable supply chain

A large part of the company's activities is outsourced to several suppliers and partners. We are dependent on subcontractors and partners for both the manufacturing of products and the supply of raw materials. Working towards a sustainable supply chain means that purchasing decisions and relationships that are created must take place in accordance with the company's principles and values from business ethics, work environment, human rights and the environmental impact.

Goals and results

Our ambition	<ul style="list-style-type: none"> • Ensure good management of social, ethical and environmental impacts throughout the supply chain
Important issues	<ul style="list-style-type: none"> • Continuous evaluation and follow-up of social, ethical and environmental impacts in the supply chain
Goals and activities 2020	<ul style="list-style-type: none"> • 100% of all A-suppliers and 20% of all B-suppliers must be evaluated.
Results 2020	<ul style="list-style-type: none"> • 100% of the A-suppliers evaluated

We see that there are risks around several aspects of our suppliers, although of course they vary from country to country and from supplier to supplier. Orexo's direct suppliers are located in countries with strong environmental and social legislation. The greatest risks here are connected to health, safety and environment. The next step in the supply chain may be found in many different parts of the world and it is therefore important to work to ensure that the direct suppliers in turn have good governance and processes. Orexo is committed to complying with the UN Guiding Principles on Business and Human Rights, and it is along the supply chain that we see the greatest risks linked to human rights.

It is the ambition of Orexo to prevent, remedy and improve sustainability work throughout the supply chain. By putting requirements on direct suppliers, an awareness of sustainability issues and a joint contribution to sustainable development are created.

Governance and guidelines

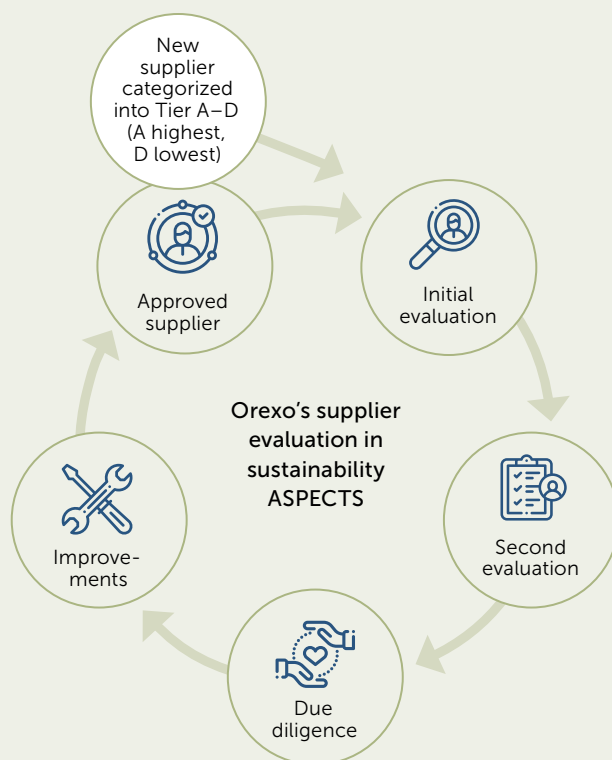
Orexo has adopted a Code of Conduct for Suppliers that clarifies expectations and minimum requirements for suppliers, including legal compliance, human rights, business ethics, safety, health and environmental impact. Orexo's ambition is to introduce these values throughout the supply chain to ensure that the high expectations of the company are met all over the world. In order to monitor and improve compliance with the supplier code, processes and approaches have been established that aim to ensure that risks regarding patient safety, product quality and a number of sustainability aspects are within an acceptable range. These processes and approaches also ensure that applicable commercial aspects, such as supply chain security, financial stability and other commercial risks in the supply chain are adequately investigated.

100%
of A-suppliers
evaluated

Supplier evaluation

Performance of Orexo's Supplier Management Process with regards to Sustainability

	Sustainability Evaluations performed		Number of approved Suppliers with open Sustainability issues		
	Result	Target 2020	Major	Moderate	Minor
Tier A	100%	100%	0	0	3
Tier B	15%	20%	0	0	0
Tier C	0%	0%			
Tier D	0%	0%			



Through the supplier evaluation process, Orexo evaluates strategically important A and B suppliers on the basis of sustainability aspects. A-suppliers supply Orexo with raw materials for products that are on the market or are contracted manufacturers of products. B-suppliers are other strategically important suppliers, including those that deliver to development projects. They will eventually be included among A-suppliers when product innovation approaches launch. The supplier evaluation covers legal compliance, as well as compliance with human rights, business ethics, safety, health and environmental impact, and is carried out through evaluation forms, interviews with the supplier and, if necessary, site visits. Supplier sustainability status is regularly monitored through supplier management.

In 2020, no additional all A-suppliers have been added, but a few new B-suppliers from on-going innovation projects. In 2021 evaluations of B-suppliers will be given priority and a review of the existing A-suppliers will also be carried out.



Photo: Jenny Lagerqvist

Environment and climate change

A sustainable future requires a joint responsibility for the environment. All human activity depends on ecosystems and their services, such as access to clean air, clean water, and natural resources. To contribute to a more sustainable world, Orexo works with activities to improve the company's environmental impact and to improve resource use.

Goals and results

Our ambition	<ul style="list-style-type: none"> To operate resource-efficiently and to reduce the environmental impact of all activities.
Important issues	<ul style="list-style-type: none"> Reduced greenhouse gas emissions Reduced amounts of waste
Goals and activities 2020	<ul style="list-style-type: none"> Improve quantification of identified environmental aspects to enable a correct prioritization and to be able to set more clear goals around environmental impact Develop cooperation with our property owner to enable a reduction in energy consumption and direct carbon dioxide emissions
Results 2020	<ul style="list-style-type: none"> Completed development of the environmental aspect assessment Green agreement with our property owner

Towards a resource-efficient operation

The overall environmental work at Orexo is governed by the company's environmental policy and the guidelines linked to it. The company has an environmental group with representatives from all parts of the business, including management. The group proposes an environmental action plan based on the direction set by the sustainability team.

The environmental action plan is set on the basis of the environmental aspects identified as significant by the company. In 2020, the existing list of environmental aspects has been further developed through a more clear quantification and assessment of where Orexo has an impact as well as where the opportunities to influence are as large as possible. This work reinforces what has previously been identified as significant environmental aspects, i.e. waste and CO₂ emissions (primarily through travel), but also the environmental impact from contracted manufacturers and raw material suppliers. It has not been possible to make a direct quantification of the environmental impact from contracted manufacturers and raw material suppliers, but we are convinced that through our choices we can make an impact. Our work for better

supplier sustainability is described earlier in this report (see page 36).

In 2020, no quantifiable goals have been set in relation to work with the environmental challenges. Focus has instead been on identifying where the impact is and which key performance indicators that are of importance. This work will continue in 2021.

Climate impact

Orexo rents its R&D facilities and the premises are shared with other tenants. As a tenant we depend on a good relationship with our property owner in order to influence our local climate footprint. Energy usage, in the form of heating, cooling and electricity is calculated based on the size of the used premises. Since individual measurements are not done, it is difficult to see the effects of energy reduction measures taken by any single tenant. In 2020 Orexo signed a green agreement with the property owner in which an expectation of co-operation on reducing the footprint through joint work is expressed. The R&D premises are today heated with district heating and cooled with district cooling.



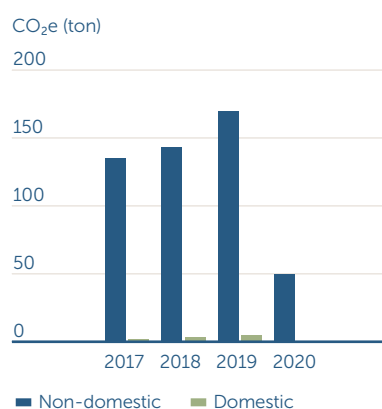
The electricity purchased is from renewable resources. Our goal with work on the green agreement is to reduce the overall consumption through improvements in our facilities.

Orexo has its main market in the United States. The contracted manufacturers for ZUBSOLV® and several of the raw material suppliers are also based in the US, as well as our own sales and marketing organization. This has historically necessitated a certain amount of business travel between the US and Sweden. Travel has changed drastically during 2020. While we do not see a complete travel stop in the future, we want to learn from 2020. An assessment has always been made as to whether a trip is necessary or not. In the future, the lessons learned from 2020 and our new digital working methods will give us another standard against which to evaluate which trips are necessary and which are not.

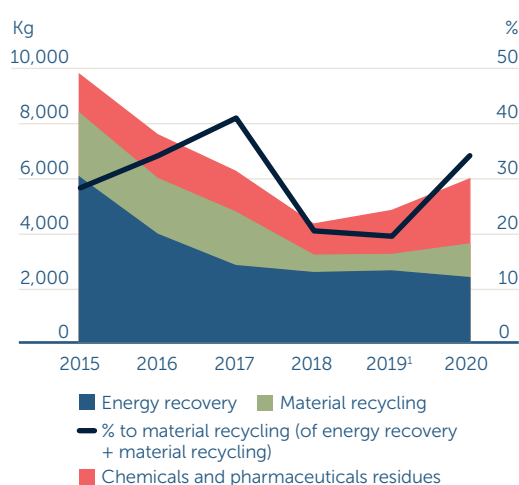
Waste and recycling

Above all, the ambition is to reduce the amount of waste that goes to energy recovery in favor of reuse and recycling. Orexo does not have its own production and we do not see that we have a specific waste source where a single effort would lead to a substantial reduction in the amount of waste. A dialogue has also been started with the recycling operator to gain access to better statistics on recycled fractions since we have seen that certain fractions have been missing in previous years. From 2020 and onwards, statistics will be available for all relevant fractions. The large reduction in total waste over time is mainly due to the fact that the nature of the business has changed and that all production is now done by contract manufacturers. In 2020 work was done to improve the sorting of waste by setting up additional recycling stations with clearer labeling. Through improved information and sorting, we see opportunities to move up in the waste hierarchy.

CO₂ emissions from flight travel



Waste fractions



¹ Intensification of activities at the company's Swedish research facility during 2019

Responsible business

Orexo operates in a market where there is a high risk for unethical business conduct and that more drugs than necessary will be prescribed. For us at Orexo, responsible business practices are a top priority and we have no tolerance for corruption.

Goals and results

Our ambition	<ul style="list-style-type: none"> • Conduct responsible business based on trust, transparency, integrity and no tolerance for corruption
Important issues	<ul style="list-style-type: none"> • Counter corruption • Work for openness and transparency
Goals and activities 2020	<ul style="list-style-type: none"> • Periodic revision of the code of conduct • > 90 percent of all employees must have read and signed the company's code of conduct • Evaluate the current whistleblower process for the Swedish company
Results 2020	<ul style="list-style-type: none"> • A periodic review has been made of the code of conduct and all employees have read and implemented the new version • An agreement has been concluded with a provider of an anonymized whistleblower service

Transparency and integrity along the value chain

Orexo's Code of Conduct "Business Compliance and Ethics Code" serves as an umbrella for all other policies and guidelines in the company and is based on corporate values, legislation and internationally recognized standards, such as the Universal Declaration of Human Rights, the Helsinki Declaration (1) and the Ten Principles of UN Global Compact. Orexo's Code of Conduct is the basis of the business and contains a compilation of responsibilities, values, attitudes and guidelines for the employees in their relationships with each other and the outside world. It describes expectations and requirements in the areas of human rights,

personnel and labour law, the environmental impact and anti-corruption. It also describes ethical expectations regarding research and development as well as requirements regarding patient safety. The Code of Conduct must be followed by all board members, managers, employees, consultants and temporary staff at Orexo AB and all its subsidiaries. According to The Code of Conduct individuals are also expected to pay attention to and report suspected violations, without any type of punishment or threat of punishment being sanctioned by the company or representatives from the company (see the heading Whistleblower System.)

To ensure legal compliance and to manage risks and to achieve set sustainability ambitions, the

100%

implementation
of the Code of
Conduct.

Business Compliance and Ethics Code

Supplier Code
of Conduct

US Comprehensive
Compliance Policies

Safety, Health and
Environment Policies

Human Resources
Policies

¹ A number of recognized ethical principles for medical research involving humans, developed by the World Medical Association (WMA).



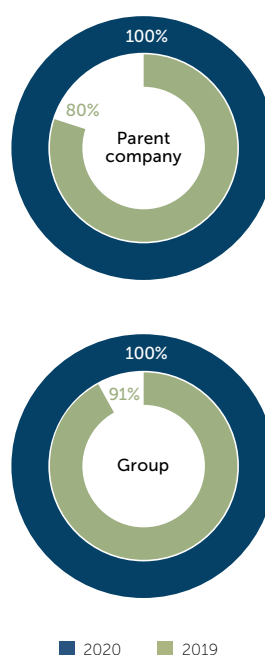
company has several policies and guidelines linked to the Code of Conduct. These guide and support activities related to environment, safety and health work, but also to gender equality, equal treatment, discrimination and other requirements regarding human rights and anti-corruption.

To ensure good business ethics, and compliance with laws, regulations and the values and attitudes that should permeate the business, Orexo executes its Code of Conduct through implementation and training. The implementation is done through the company's document management system. The system clearly shows what policies and routines employees are expected to read. After reading each employee signs that they have reviewed and understood the material. All policies are reviewed at least once every two years. Specific Code of Conduct trainings has been held, and in the future these trainings will be part of the teacher-led introductory program in which all new employees participate. All employees within both the Parent Company and the Group have read and implemented the Code of Conduct

Business ethics and anti-corruption

To work ethically is a matter of course for Orexo's business operations. Orexo operates in markets that offer good business opportunities but operations can also be in high-risk markets with exposure to serious risks.

Implementation of the Code of Conduct (% employees)



For business within the healthcare sector, one recognized risk is unethical business and compliance violations in interactions with healthcare professionals, healthcare organizations and government officials. Orexo's Code of Conduct therefore sets minimum requirements and expectations and support the employees in their daily work.

Orexo has no tolerance for bribery or corruption. The Code of Conduct urges individuals to pay attention to and report suspected business ethics violations or unethical conduct, without retaliation or any threat of retaliation. Through the implementation and training of the Code of Conduct, Orexo ensures that operations are conducted in a responsible manner, based on trust, openness, integrity and no tolerance for corruption. In this way, a solid foundation is created for a continued strong relationship with customers, colleagues and stakeholders.

Whistleblower system where everyone can make their voice heard

Orexo must be a transparent, sound and open organization that complies with laws, regulations and the company's Code of Conduct. If someone suspects a serious violation has occurred, it is important that this is reported and that the reporting can be done anonymously. In the US operations there has been a well-functioning system for several years through an external supplier, Ethics Point. In 2020, no reports were made.

For the Swedish operations a review was made of the company's whistleblower possibilities in 2020. The review resulted in that the whistleblower process needed improvement. In autumn 2020 an agreement with an independent supplier of a whistleblowing system, WhistleB, was finalized. This system will improve the possibility of anonymous reporting as well as handling and communication in the reported cases. The system will be introduced during the first quarter of 2021.

Marketing and sales

Orexo has its main market in the USA, where the subsidiary Orexo US Inc is responsible for all sales. The subsidiary operates in accordance with laws and regulations established at the federal and state levels in the United States. The guidelines, collectively referred to as "US Comprehensive Compliance Policies", describe accepted marketing practices and activities related to drug sales, including the reporting of marketing expenses and interaction with government authorities and healthcare representatives. All employees in the United States are trained in these, both through teacher-led training and virtual training.

All sales representatives receive a specific week-long training held at the Orexo office in New Jersey. The training covers all marketing policies, federal laws and regulations related to drug sales and ethics related to their role as sales representative including interaction with physicians. At the end of the training, everyone takes a test to show that they have understood the material and the requirements. After this, there are periodic follow-ups of the training where the sales representative read and implement policies again. During 2020 nine sales representatives were trained.

Subpoena

On June 14, 2020, Orexo Inc received a subpoena requesting the provision of certain information to US authorities linked to ZUBSOLV® and other buprenorphine products. Orexo has no knowledge of the reason for this subpoena. Orexo has engaged a legal counsel to assist in the event of further requests for information or other activities related to this. No further information has been received after 14 June 2020.

About the sustainability report

Areas	Pages
Environment	38–39
Social conditions	30–33
Staff	33–35
Human Rights	36–37
Anti Corruption	40–42

Auditor's opinion

To the general meeting of the shareholders of Orexo AB, corporate identity number 556500-0600.

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2020 on pages 26–42 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards

on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Uppsala den 22 mars 2021
Ernst & Young AB

Anna Svanberg
Authorized Public Accountant



From left, Cecilia Coupland, VP and Head of Operations, Nikolaj Sørensen, President and CEO, Johannes Doll, EVP and Chief Commercial Officer
Photo: Jenny Lagerqvist.