



Sustainability report

2022

CVR no. 28 11 15 76



ABACUS MEDICINE

Better Access · Better Healthcare



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Better Access. Better Healthcare

Our purpose is to provide better access to medicine. Through our business model, we have a significant sustainable impact on the society that we are a part of.

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Focus Program: Diversity & Inclusion

In 2022, we defined our first ever global Diversity & Inclusion Strategy. The strategy is centered around conscious inclusion with 3 specific focus areas.

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The Abacus Medicine Group as a workplace

We invest in our people. In 2022, we invited 60 leaders to join our Global Leadership Development program.

[→ Read more on page 16](#)



New report shows significant savings on healthcare

In 2022, a new report showed savings of EUR 99.5 million brought to the Danish market by parallel distribution.

[→ Read more on page 10](#)



Letter from the CEO and Chairman

The Abacus Medicine Group is a company with a purpose and we recognise our contribution and impact on society, both positive and negative. To us, sustainability is more than reporting – it is a conscious and strategic decision.

The Abacus Medicine Group provides better access to medicine. This is our purpose and impact on the society we are in. Through our range of pharmaceutical services and parallel distribution business, we are able to deliver on this purpose in new and innovative ways year after year. We believe that this is our most significant contribution to society.

In 2022, we continued our work with sustainability and ESG across the Abacus Medicine Group with 6 focus programs covering various areas within our business. We believe that our purpose of providing better access to medicine holds a substantial positive social impact, yet we are aware of the negative effects our business model may have, and we work continuously to improve and mitigate these effects to the extent possible.

ESG is a naturally incorporated part of our strategy, as we believe that working strategically with ESG will create the highest value. As such, we have been working towards conducting a

materiality assessment to have an even more structured and focused prioritisation of our ESG efforts. The materiality assessment will form the foundation of our sustainability strategy that will be rolled out in 2023. The materiality assessment and sustainability strategy will allow us to work more structured with our ESG efforts to continuously address the issues most significant to our business and stakeholders.

Another key area in 2022 has been diversity and inclusion. In essence, we believe that our success is a direct result of our dedicated employees. In 2022, we took a big step to increase our efforts within this important area. Multiple focus groups across the Group were conducted throughout the year. The results have formed our first official company-wide Diversity & Inclusion-strategy. A result that we are particularly proud of.

Also in 2022, we continued our focus on internal awareness around sustainability and ESG, as we believe that all employees must be engaged and



ESG is an incorporated part of our strategy, as we believe that working strategically with ESG will create the highest value.

aware of our efforts to continuously develop and improve. To this end, we hosted our first ever Global Sustainability Week across the Abacus Medicine Group. All locations were encouraged to highlight sustainability throughout the week with various activities, new initiatives or simply information on the topic. The week was a great success and paved the way for many valuable suggestions for improvement by employees across the whole Group.

In 2022, our overall sustainability results were positive. We keep moving towards a more structured and target-based approach, which will ultimately allow us to set KPIs on the most important ESG issues we need to address. We will continue our work in 2023 based around our newly established sustainability strategy with the ambition to put in place key targets for the years to come.

Flemming Wagner
CEO and Co-founder

Niels Smedegaard
Chairman of the board





At a glance

The Abacus Medicine Group supplies prescription medicine to thousands of customers across the world. **We improve global healthcare by giving people better access to medicine** and are among the 100 largest Danish companies.

Our core business is known as **parallel distribution**. We are growing within **pharmaceutical services** and also operate as a **medicine wholesaler**.



In 2022, we delivered more than

22,000,000

packs, vials and syringes of medicine.

To customers in

38

countries around the world.

Better access to medicine means better healthcare. In Denmark alone, the parallel distribution industry provided savings worth

EUR 99.5 million

in 2021

The group numbered

1,279

employees at year-end

Full-year revenue rose to

EUR 1,024 million



Business model

The Abacus Medicine Group provides better access to original medicine for hospitals, pharmacies, wholesalers, pharmaceutical companies and ultimately patients all over the world.

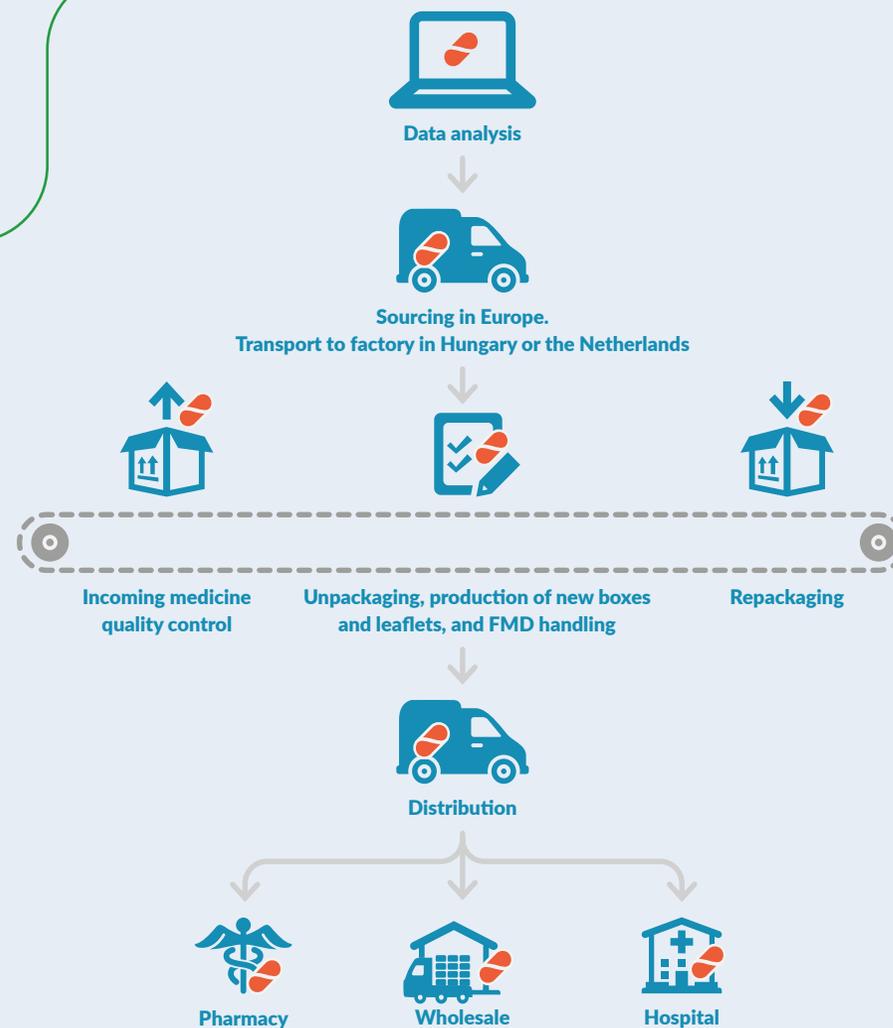
The Group operates as three brands: Abacus Medicine, Abacus Medicine Pharma Services and Pluripharm. Each brand has a distinct core capability that is supported by multiple, cross-unit competencies including logistics, trading data analytics and a strong, pan-European sourcing network.



Abacus Medicine

is firmly established among the market leaders within the European parallel distribution of medicines. Abacus Medicine creates competition in a market characterised by rising healthcare costs by offering better access to affordable medicine. This benefits both patients and public budgets. Abacus Medicine supplies to four main types of customers:

- Pharmacies
- Hospitals
- Pharmaceutical companies
- Pharmaceutical wholesalers





Pluripharm

was established in 1984 and is a supplier to Dutch pharmacies and hospitals. Pluripharm is one of the four leading wholesalers in the Netherlands. In 2022, the company delivered more than 20 million packs of medicine to Dutch consumers. The medicines and medical devices are delivered both via an extensive network of independent pharmacies, but also directly to the patients. Pluripharm is established as a dedicated partner of independent pharmacies and offers a number of value adding services. Among these are

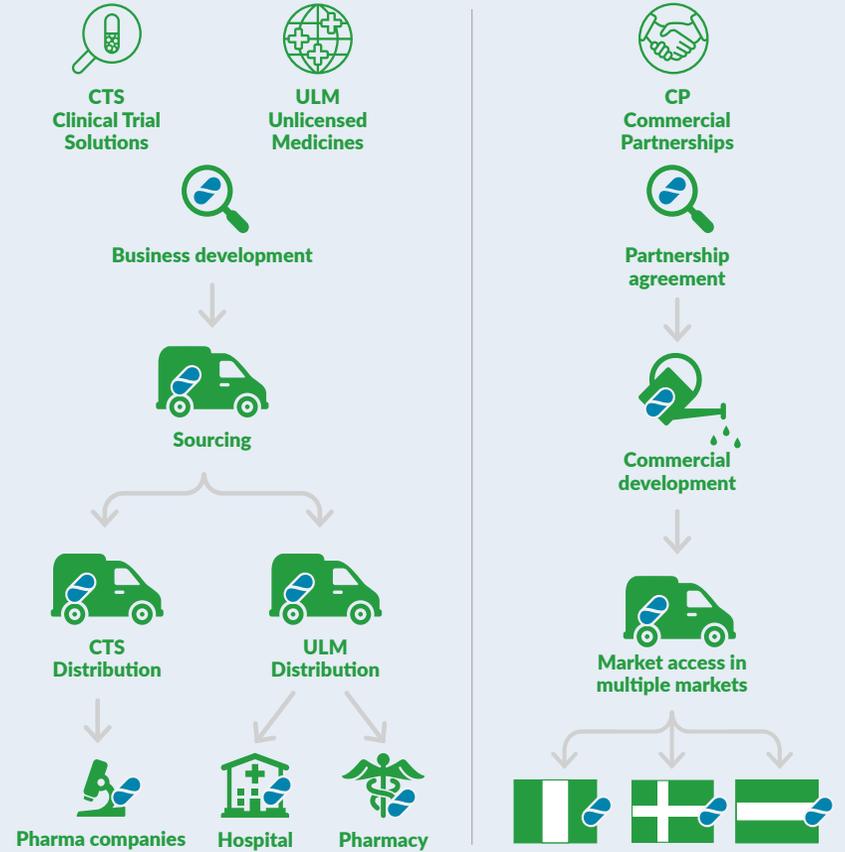
- Central filling
- Baxtering
- Contract negotiations with health insurers



Abacus Medicine Pharma Services

offers value adding pharma services that directly or indirectly help patients across the globe to get access to existing and new innovative medicines. The Abacus Medicine Pharma Services team has extensive experience across three main service areas:

- Unlicensed Medicine
- Clinical Trial Solutions
- Commercial Partnerships





Better Access. Better Healthcare

In the Abacus Medicine Group, we strive to contribute to the international community we are part of and acknowledge the responsibility and impact we have on society and the environment. Therefore, we recognise and support the UN Sustainable Development Goals (SDGs).

We believe that adopting sustainable practices, whether large or small, can have a significant impact in the long run. This report constitutes the Abacus Medicine Group's compliance with the statutory disclosure on corporate social responsibility in accordance with the Danish Financial Statements Act, section 99a.

Our sustainability efforts aim to contribute to solving the major global challenges being addressed by the UN SDGs. The Abacus Medicine Group's strategy and targets focus on pursuing three SDGs which are related to our core business and hold particular influence on our business: SDG 3 (Good Health and Well-being), 8 (Decent Work and Economic Growth), and 12 (Responsible Consumption and Production).

We believe that within these areas, we can deliver most impact through the knowledge, products and solutions we provide to our customers and society at large.

A significant social impact

The main focus of our business model and our strongest contribution to society lies within SDG 3: Good Health and Well-being, as it is directly connected to our purpose of providing better access to medicine by making it more affordable. Our business model and purpose assist in addressing global and national medicine shortages as well as help to solve the increasing pressure on national healthcare systems brought on by an aging population and increases in healthcare spend. Here, we see the positive impact of our business by creating real value for our customers hereunder patients, wholesalers, pharmacies and hospitals.

As a Group consisting of a variety of pharmaceutical companies, we are able to offer a broad range of services, which result in various benefits to our customers. **The Abacus Medicine Group** covers services within parallel distribution, pharmaceutical services such as clinical trials and unlicensed medicines as well as general pharmaceutical wholesale and direct-to-patient services.

Parallel distribution of medicine has been the main engine of our growth. **Abacus Medicine** has for many years provided a positive impact on society



through our parallel distribution business by bringing significant savings to our customers and the wider society. By being able to offer medicine at lower prices, we are not only providing savings but also ensuring that a broader range of customers can access critical pharmaceutical products. We see a growing recognition of the positive impact of the parallel distribution business and how it helps to address shortages of critical medicine. With parallel distribution, for example, pharmacies can draw on imports and provide their patients access to medicine not otherwise available in their country. With this, we create value for our customers through lower prices and better access.

continues





Abacus Medicine Pharma Services supports the development of new therapies

With our pharmaceutical services division in Abacus Medicine Pharma Services, our Group serves an even wider variety of stakeholders with better access to medicine. With our Clinical Trial Solutions service, we support the development of new therapies and the improvement of the use of current therapies globally.

In 2022, we supported better access to medicine by providing a number of

pharmaceutical companies developing biosimilar medicines for various cancers with samples and batches of the original biological drug for use in comparator studies. By helping companies develop biosimilar products, we are helping to significantly improve access to these expensive medicines to a much broader population and provide significant savings for public healthcare spending.



Abacus Medicine enables financial and physical access to medicine

In our parallel distribution division, we provide medicine at a lowered cost. In 2022, we have sold medicine for more than EUR 700 million in more than 13 markets, which helps governments, customers and patients to save money that can instead be used for other healthcare improvements. In Germany, our largest market, the expected direct savings are estimated to over EUR 400 million, while the indirect savings due to

increased competition is estimated to amount to EUR 300 billion.

During COVID-19, health insurers across Europe have experienced significantly increased spendings. Abacus Medicine and parallel import is one of the areas that now help to balance the spendings and ensure better financial and physical access to healthcare across Europe.



Apart from our parallel distribution business, **the Abacus Medicine Pharma Service** business is contributing with value added services and benefits from its synergies with our other businesses.

Abacus Medicine Pharma Services covers Clinical Trial Solutions, Unlicensed Medicine and the Commercial Partnerships business. Within the Clinical Trial Solution's team, we are working with a number of pharmaceutical companies that develop biosimilar medicines for use in domestic and international markets. We support the devel-

opment of biosimilar medicines by providing our clients with samples and batches of the original biological drug for use in comparator studies.

Through the Commercial Partnerships business, we also improve our access to specialty medicines and more markets, and thus reach more customers.

We view the Abacus Medicine Pharma Services business as a driving force in increasing our positive social impact.



Lastly, the **Pluripharm Group** offers a full range of medicine, medical devices and value-added services. The Pluripharm Group gives us access to the Dutch market, where we can provide better access to medicine for pharmacies and hospitals through utilizing the extensive sourcing network of the Abacus Medicine Group. Moreover, the Pluripharm Group offers digital solutions in form of the online pharmacy Thuisapotheek, which improves the access to medicine for a broad range of patients. Through this solution, we are able to reach patients which otherwise might not be able to receive critical medicine. To ensure the value added through this direct-to-patient deliveries, Thuisapotheek is closely working with pharmacies and dispensing doctors.

With the broad range of services offered by these pharmaceutical companies we can ensure that we reach a lot of patients, improve access to pharmaceutical products, while at the same time providing savings for our customers and the wider society. We are able to reach numerous countries and thereby thousands of patients through our successful multi-market strategy, and with our continuously growing parallel distribution business, our reach within Europe is unrivaled and continues to provide value and better healthcare for all. With this, we see the positive and significant social impact and our contribution to SDG 3.

➔ **For more details on the individual businesses please refer to the Annual Report.**



Pluripharm provides digital access to medicine

Thuisapotheek is our certified online pharmacy that delivers medicines to customers across the Netherlands. The pharmacists of Thuisapotheek provide expert advice to patients over the phone in the privacy and tranquility of their own homes. Through the secure Thuisapotheek app, patients have full control over their medicine use. The app offers access to the medication they are taking, options to request new (prescription) medicines, track orders and digitally schedule an appointment for a consultation.

In late 2021, Thuisapotheek entered a partnership with Mediq Netherlands, a provider of medical devices and sup-

port. Among other things, Mediq offers a quarterly service for diabetes patients. Through this partnership, Pluripharm is able to support and provide better access to 10,000 diabetes patients across the Netherlands with reliable and secure access to the insulin and medical devices they need. Thuisapotheek's pharmacy team set up a program to carefully transfer care for these 10,000 diabetes patients. In this way, the diabetes patients accessed their insulins with the additional qualitative guarantees of Thuisapotheek. Patients rated the service at 8.5 on a scale of 1 to 10.





New report shows significant savings on healthcare

With our core business of parallel distribution, the Abacus Medicine Group contributes to the health and well-being of others, and we play a strong part in providing better access to medicine across Europe. When we compete in the market, we help lower the prices on life-critical medicines so that they become more widely available and at significant savings.

In 2022, a new report¹ was published that documented on the significant savings brought to the

Danish market by parallel distribution. The report found that in 2021, the savings of parallel import of medicine on the Danish market amounted to EUR 99.5 million. Furthermore, the report found that parallel imports of medicine provide an average cost saving of 16% per product. The record-high results presented in the report reaffirm how our purpose to improve healthcare through better access to medicine truly has a significant social impact.



Savings on the Danish market in 2021

99.5 mio. EUR



Average cost savings per product in Denmark

16%



¹ View the report here: [The economic impact of parallel imports of pharmaceuticals.pdf \(affordablemedicines.eu\)](#)

Access to safe medicine



With our state-of-the-art data and IT systems as well as our vigorous quality management, we work every day to help patients around the world gain access to their medicines at affordable prices

without compromising on quality. Steady access to safe medicine is at the core of our business model and a constant and non-negotiable focus in all our operations.

As a company that purchases, stores, repacks and distributes pharmaceutical products, we are obligated to comply with and operate in accordance with pharmaceutical regulations and legislation. These requirements are also known as Good Manufacturing Practices (GMP) and Good Distribution Practices (GDP). We have vigorous and strict processes in place for handling all production and transport operations as well as a Quality Management System (QMS) to set a standard and encourage continuous improvement.

Furthermore, we have standard operating procedures in place to generate compliant and consistent output. Should we receive any complaints, they will be registered, investigated and communicated to relevant parties. However, the majority of incoming complaints are deemed outside our control.

Providing access to safe medicine at affordable prices is what we do best and what we value as our biggest contribution to our society. In 2022, we sold more than 22 million packs, vials and syringes of medicine. A number that continues to grow every year, increasing our positive impact on the European healthcare systems and patient access.

Number of recalls

0

In 2022 we had 0 recalls.

Complaints data

5%

In 2022, only 5% of received complaints were related to an internal cause.

Packs sold 2022

22 mio.

In 2022, we sold more than 22 million packs, vials and syringes of medicine



Our overall contribution

While the core contribution of the Abacus Medicine Group's business model lies in SDG 3, we also support SDG 8 and 12, which are both tightly connected to our values, operations, and processes.

We aspire to create decent work and economic growth and thereby support SDG 8 by promoting our core values of dedication, innovation, and care. In addition, while our business model has a positive social impact, we also recognise the environmental impact that comes as a natural consequence of repacking and distributing medicine. Thus, supporting SDG 12 is closely tied to improving our operations and processes to reduce this environmental impact.



Decent work and economic growth

Our Diversity & Inclusion Focus Program strengthens an inclusive and diverse working environment at the Abacus Medicine Group and is thus closely connected to supporting SDG 8. We value diversity in all its forms as we strongly believe that creativity and innovation are driven through the individual identities of our employees, including gender, age, personalities and experiences. To ensure that our values are also fol-

lowed by our suppliers, the Supplier Code of Conduct Focus Program plays an important role. Through this program we can ensure our suppliers to create a productive and decent working environment for everyone working for and with the Abacus Medicine Group.



Responsible consumption and production

We support SDG 12 by continuing and improving our efforts regarding the recycling, reuse and reduction of materials related to our sourcing and production processes. The Waste and Sourcing Focus Program is dedicated towards these sustainability efforts, driving our efforts to prevent as many unnecessary consumption and emissions as possible. Thus, we are continuously looking for improvement and innovation opportu-

nities to reduce the impact of our operations. In addition, our Transportation Focus Program is supporting SDG 12, as it drives our efforts of analysing our value chain and identifying emission reduction opportunities. As we recognize that reducing the impact of our business model is only possible with the support of our suppliers and stakeholders, we encourage them to move towards more sustainable solutions and processes.

Focus in 2023

In 2022, we took the first steps towards a more strategic approach to sustainability and ESG. As we believe that true impact can only be made when sustainability and ESG are deeply integrated in all processes and operations. In addition, in 2022, we have been working towards conducting a materiality assessment to have an even more structured and focused prioritisation of our ESG efforts. The results of the assessment will allow us to focus our efforts on the most material ESG issues which in turn inform our strategic approach and future reporting.

While we will continue with the same Focus Programs as in 2022, the programs will take a more holistic approach and focus on the material ESG issues and ensure that the ambitions and goals of the programs connected to these issues are supported by the relevant business functions throughout the Group. This will allow us to identify the risks and opportunities of our business model in connection with ESG issues.

Moreover, as part of the Transportation focus program, we have worked on mapping the value chain of the Abacus Medicine Group and define the boundaries for measuring our Scope 3 emissions connected to transportation. Our efforts within measuring Scope 3 emissions are also supported by a new travel portal for business travel which was introduced in November 2022. This portal allows us to get a full overview of employee travel and thereby improve risk management and data collection related to business travel. In addition, it supports our sustainability efforts as we will be able to track CO2 emissions from employee travel, thus getting a better understanding of the related environmental impact and our individual footprint. Through this we can continuously identify opportunities to reduce or change our current way of travelling.



Sustainability approach

The Abacus Medicine Group continuously evolves and so does our external environment. New legislation and expectations from stakeholders shape how we work with sustainability. In 2022, we focused on developing a more strategic approach.

How we organise sustainability

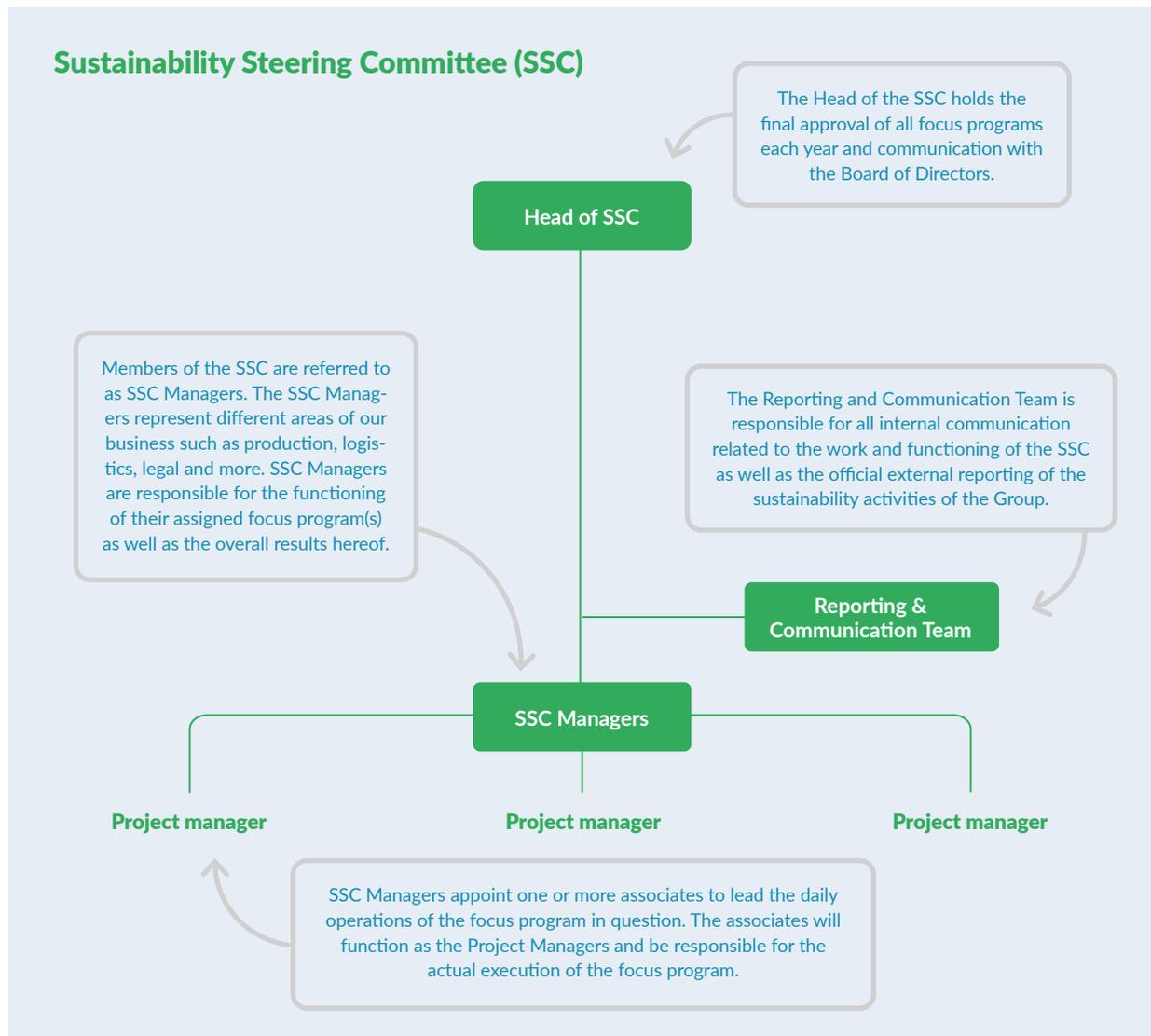
Sustainability in the Abacus Medicine Group is governed at executive management level through our Sustainability Steering Committee (SSC).

The Sustainability Steering Committee sets the strategy for our work with sustainability and agrees on the yearly Focus Programs. The yearly focus programs represent the projects we will work with throughout the year. Specific KPIs and action plans are agreed for each focus program every year.

The Sustainability Steering Committee is comprised of the Head of the Sustainability Steering Committee, SSC Managers, Project Managers and finally, the Reporting and Communication Team.



In common for all focus programs in 2022 is the increased focus on our ability to measure our impact.





In 2022, we worked with 6 focus programs that all support our core ESG efforts and ensure that ESG is increasingly becoming an integral part of our operations and processes.

Environmental



WASTE & SOURCING



TRANSPORTATION

Read more under Production & Supply Chain on page 23

Social



DIVERSITY & INCLUSION



COMMUNITY ENGAGEMENT

Read more under People & Society on page 15

Governance



SUPPLIER CODE OF CONDUCT



ESG REPORTING

Read more under Governance on page 26 and KPIs on page 31

Measuring our progress

The Sustainability Steering Committee is responsible for continuously evaluating the progress of our work. In order for the Committee to do this, annual KPIs are set for each focus program. Furthermore, quarterly SSC meetings are held to evaluate the overall progress and areas to improve.

In 2022, we worked with 6 focus programs. We decided to lower the number of focus programs compared to 2021 to further strengthen and optimize our work on a few key areas. We combined some of the programs from 2021 into new and improved programs in 2022. As an example, we merged the two programs surrounding our production into one program called “Waste & Sourcing” to have a more holistic view on all processes related to this.

In common for all focus programs in 2022 is the increased focus on our ability to measure our impact. Being able to measure our footprint makes us equipped to set targets and find areas to improve.

We commit ourselves to our belief that it will create the greatest impact to engage all departments and employees to take part in the Abacus Medicine Group's sustainability journey. As such, we will continue to involve all relevant internal stakeholders in strategic focus areas where they hold specialist knowledge.

People & Society

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The Abacus Medicine Group as a workplace

In the Abacus Medicine Group, we are innovative, dedicated, and we care. These strong and well-established Group values are carried out in all our operations and in the way we work with our most important asset: Our people.

In the Abacus Medicine Group, we have always had a strong focus on employee satisfaction. Historically we have had high scores and response rates on the annual global satisfaction surveys, and 2022 was no exception. 81% of all employees chose to respond the survey, and the result was very positive with an overall score of 3.9 and a high score of 4.2 on the topics related to relationship with leaders and overall engagement.

We invest in our leaders, and in 2022, we invited 60 of our leaders to join the Global Leadership Development program. We believe in empowerment, and in the concept that you will be a better leader if you know yourself first. Our Global Leadership Development Program is therefore a program where leaders will start by exploring themselves, before working with the

81%

of the employees
responded in the Employee
Satisfaction Survey.

3.9

out of 5 in overall score.

“Engagement” (4.2 out of 5)
and “Relationship with
immediate manager”
(4.2 out of 5)
are the top scores.





toolbox of leadership and change management. Our 60 leaders will finish their leadership program in H1 2023.

In 2022, we also started the process of further developing a Performance Management Process to help and guide both employees and leaders in the development dialogues. It is of very high priority to keep developing our employees in directions that lift the motivation and help the Abacus Medicine Group grow in the direction set in the overall strategy.

The Performance Management Process will be ready for implementation in Q1 2023.

Collaboration and Communication

From our last satisfaction surveys, it was apparent that a risk that comes with the rapid growth of the Abacus Medicine Group is that internal communication and collaboration can be affected. Thus, we had to focus more on ensuring better communication and collaboration. The 2022 survey showed that this topic again had room for improvement. Therefore, we decided to initiate global workshops for all leaders and employees in the Abacus Medicine Group to develop and understand each other better, and encourage an open dialogue to further improve the collaboration through a common framework that supports our values.

The leaders in the Abacus Medicine Group therefore created the following framework: In the Abacus Medicine Group, we work together in a constructive and respectful way, with a shared understanding of our business goals, roles, responsibilities and tasks.

We started by inviting the departments for Operations and QA in Hungary, the Netherlands and Denmark to participate in these workshops, and in October 2022, we invited the rest of the organisation to participate.

The workshops will be finalised in Q1 2023, and the evaluations of the ongoing workshops are very positive, and have created a much better understanding of differences between departments and locations, and have given all of us a common language in the way we work together.

Welcoming new employees

In 2022, we welcomed more than 200 employees globally. Onboarding is therefore of high importance and in 2022, we introduced the Global Onboarding Day which covers presentations from all locations to new employees 4 times a year. This has ensured a much faster understanding of our business for our new joiners.

To further strengthen our leadership team and overall business, we also welcomed a new CFO, Maria Addis and a new COO, Allan Dinesen, both located in Denmark, in 2022.



I am excited to welcome two new competent and professional members to the Chief Executive Management Team: Maria Addis and Allan Dinesen.

I am confident that they will provide us with knowledge and development which the Abacus Medicine Group will benefit tremendously from.

Flemming Wagner,
CEO of the Abacus Medicine Group

Diversity & Inclusion

In 2022, we continued with our focus program on diversity and inclusion, as we believe that a diverse and inclusive working environment is closely tied to success. In the Abacus Medicine Group, we apply a broad definition of diversity covering all demographic characteristics as well as personalities and experiences of our employees, which are all valuable for our business.



37.9

Age diversity
(average age)



516

Men



763

Women

The business case for Diversity & Inclusion

In 2022, we have been working on establishing the business case of diversity and inclusion for the Abacus Medicine Group. We believe that diversity and inclusion clearly support our corporate values of innovation, dedication and care. In an inclusive work environment, different ideas can emerge (innovation), employees feel valued and are committed to the success of the team (dedication) and their needs are taken into consideration (care).

Moreover, we see many benefits of diversity and inclusion such as better decision making, better teamwork and a better group performance. A diverse workforce and inclusive culture also support the ability to be agile and adaptable in dealing with internal and external changes to make the business itself more sustainable. We believe that this diversity can stimulate discussions, bring in new ideas, solutions, knowledge and skills which can all drive innovation. The importance of Diversity & Inclusion also relates to our global collaboration within the Abacus Medicine Group, as we need to be able to change perspectives, understand and adapt to different cultures to develop a common purpose and vision.



Focus Program

Diversity & Inclusion

Program Summary

In 2022, the focus of the Diversity & Inclusion (D&I) focus program has been on developing a D&I Strategy for the Abacus Medicine Group, to strengthen and foster our efforts within this area through a strategic approach. At the centre of our D&I Strategy is conscious inclusion. We believe that the risk of not addressing Diversity & Inclusion consciously is that it could, for example, affect our ability to attract and retain talent. Therefore, a main focus of this program is to support a diverse and inclusive working environment that contributes to employee engagement, talent attraction and retention as well as successful and sustainable business operations.

Results

In 2022, a global D&I focus group was formed with representatives of the

different business areas and sites with the mission of developing the global D&I strategy for the Abacus Medicine Group. The focus group discussions also complemented the results of the Employee Satisfaction Survey, which for the first time included a section on Diversity and Inclusion to gather feedback from employees. The overall D&I result from the survey (4.0) indicates that we have a generally good work environment, where employees feel fairly treated and free to speak up. Within the focus groups, these results were discussed to get first-hand insights into the experiences and suggestions of employees on D&I topics. These discussions and the further data analysis pointed to areas of improvement with global relevance across the Group, which provided the basis for the D&I strategy.





Abacus Medicine Group Diversity & Inclusion Strategy

The Abacus Medicine Group D&I strategy is centered around conscious inclusion with three other global focus areas that contribute to conscious inclusion: Diverse workforce and leadership, Work-life integration and Intercultural competence.

The foundation of enabling conscious inclusion is to ensure that the work environment is safe for everyone and free of all forms of offensive behavior. To that end, educational sessions were held for all employees in the major locations of the Abacus Medicine Group. These sessions were supported by informative leaflets and a new policy in Hungary on the prevention and handling of harassment and bullying in the workplace.

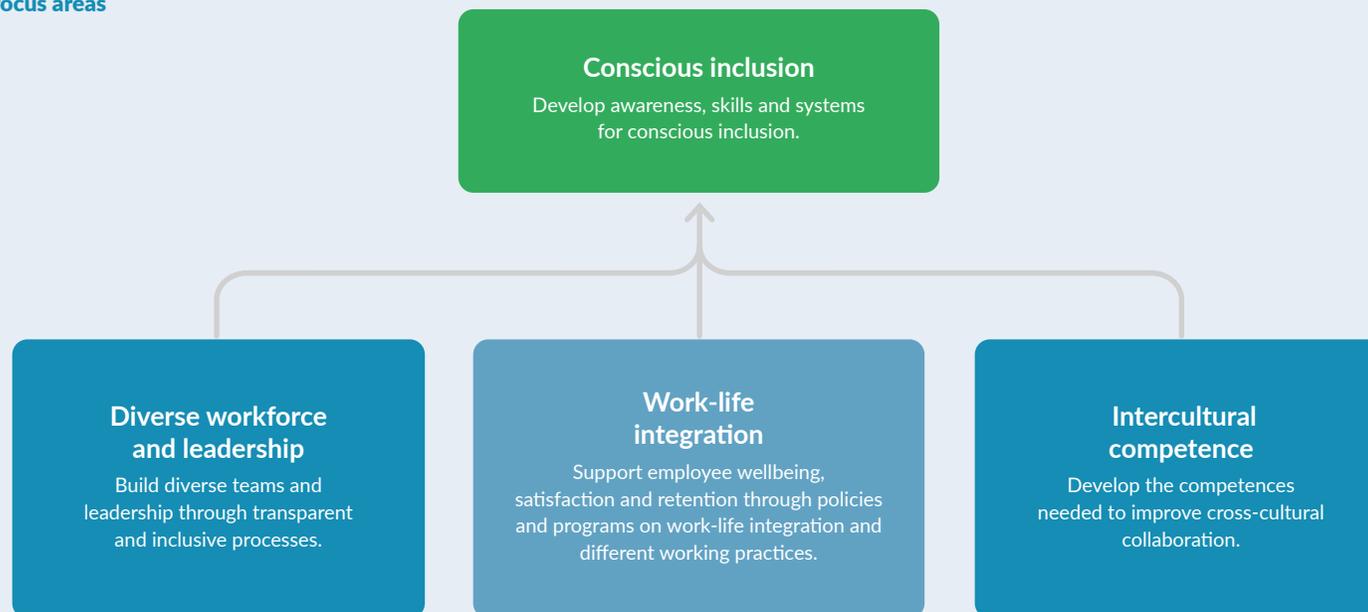
In addition to formulating the global D&I strategy, we also made progress within some other focus areas. For example, training on intercultural competence was provided to managers in the Operations and QA departments, where this topic was identified as key to collaboration between departments and countries.

In 2022, we also started implementing initiatives related to work-life integration and family friend-

liness, particularly in Hungary, where a framework for managing parental leaves was created, including guidance for managers and employees on the process, as well as regular meetings and an online

platform to keep contact with colleagues on parental leave. We also piloted a summer childcare program to support employees in managing the long school break in Hungary.

Our focus areas





Diversity in numbers

The Abacus Medicine Group

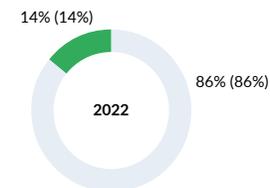
This section includes the gender distribution in management cf. Section 99b of the Danish Financial Statements Act. The percentages in parentheses indicate 2021 figures.

In 2022 the Abacus Medicine Group has decided to have a gender representation of 40/60 in the Board of Directors, the Executive Management Team, and the Senior Management Team by 2026 respectively. As there were no changes in the Board of Directors in 2022, there was no change in the gender distribution. In 2022, our new CFO Maria Addis joined the Executive Management Team, increasing the share of women in the EMT to 30%.

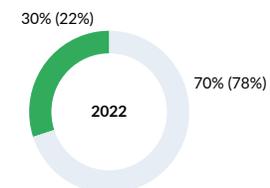
The Abacus Medicine Group follows a strategic approach of conscious inclusion that will enable a better gender representation on all levels of the organization. Women are very well represented among our managers (44%) and team leaders (57%), and we aim to draw on that talent pool to improve gender balance also in more senior management levels.



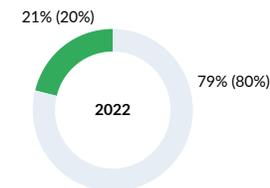
Gender Diversity Board of Directors



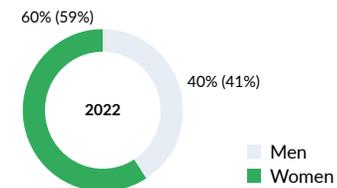
Gender Diversity Executive Management Team



Gender Diversity Senior Management Team



Gender Diversity Global



Community Engagement in the Abacus Medicine Group

In the Abacus Medicine Group, we always strive to have a positive impact on the society we are part of. We continuously encourage new ideas on how we can improve both internally and externally.

A part of something bigger

We recognise that our business holds ties to many stakeholders, the environment and society at large. We strive to leave a positive impact on the society that we are a part of by contributing to the global healthcare system in terms of savings and access to medicine.

The tragic war in Ukraine and the resulting urgent need of medical aid lead to several donations by the Abacus Medicine Group. In Pluripharm, both medicines and medical devices were donated on two occasions, and Abacus Medicine, together with Affordable Medicines Europe, orchestrated a large donation of prioritised medicines. We are happy and proud to have been able to support Ukraine and the Ukrainian people in these terrible times.

Another focus area in 2022 was internal awareness around sustainability. We believe that for us to truly make an impact, we need all employees in the company to understand and value the importance of sustainability and ESG. We hosted our first ever Global Sustainability Week across all locations in the Abacus Medicine Group.

Lastly, we continued our sponsorship and partnership with the #impaktWISE project and thereby continued to support dedicated students and entrepreneurs who have new, innovative ideas on social issues.



Focus Program

Community Engagement

Program Summary

The Community Engagement program is in place to secure processes and policies around humanitarian activities such as volunteer work, donations and sponsorships in the Abacus Medicine Group.

Furthermore, the program is responsible for securing a stable internal information flow around our sustainability efforts and raising awareness internally and externally about what we do.

Results

In 2022, the Community Engagement program had a high focus on internal awareness around sustainability. As such, the first ever Global Sustainability Week was held to raise awareness about sustainability and ESG across the company. Furthermore, the partnership with #impaktWISE continued throughout 2022, and once again, we were taking part in selecting the winner of the #impaktWISE Awards, thereby supporting a new innovative social business model.





Global Sustainability Week 2022

As part of our increased focus on bringing awareness of sustainability to the forefront of our employees' minds, we hosted the first Global Sustainability Week in the Abacus Medicine Group.

The purpose of the week was to increase awareness, engagement and knowledge around sustainability amongst all employees to further drive our sustainability efforts forward.

Throughout the Global Sustainability Week, we worked to fulfil this purpose through informational and engaging materials and activities across

all our locations in the Group with the help and support from our many colleagues.

Across the Group, multiple great activities and events were held. In our Hungarian site, a sustainability roundtable discussion and plant exchange were held. In Pluripharm, we had a big focus on waste sorting throughout the week and new garbage bins were put in place to ensure proper sorting. In our Copenhagen office, we had a focus on our employee restaurant and how to optimize our footprint and minimize our food waste. The lunch menu was put together to emphasize easy sustainable choices that can be implemented both at work and at home.

Additional to all the informational material and the local initiatives, we created a global activity to raise awareness of our employees' personal CO₂ footprint, which they could voluntarily calculate from e.g., commuting to work or any other every-



day activities. The aim was to motivate everyone to consider alternative ways of commuting and thereby limit our impact.

Many great suggestions on how to optimise our operations and business were submitted by employees across the company, which we are now working to implement. All in all, the week was a great first step in the direction towards an increased internal awareness around sustainability.



A roundtable discussion was held in our Hungarian site, where many great ideas were brought forward and discussed among colleagues from various parts of the business.

Supply Chain & Production

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Impact from our business model

At the Abacus Medicine Group, we acknowledge the environmental impact of our business model, and we are continuously looking into ways to minimize our impact and optimise our processes in more sustainable ways.

As part of the pharmaceutical industry, and with a business model built around importing and exporting medicine across Europe and the world on a daily basis, we inevitably leave behind an environmental footprint. To be able to fully measure the environmental impact of the Abacus Medicine Group in the future, we continuously work on identifying relevant environmental KPIs. By doing this, we cannot only measure our current environmental impact but also identify optimization opportunities within our processes and operations, making our business model more efficient and sustainable.



Transport

The transportation of medicine is at the heart of our business model. Supporting the purpose of better access and better healthcare, the Abacus Medicine Group transports thousands of packs of medicine to patients, pharmacies, and hospitals every day.

While our business positively contributes to SDG 3 (Good Health and Well-being) by securing better access to safe and affordable medicine, it also comes with an environmental footprint. As our company continues to grow, we not only increase our social impact by reaching more patients and provide access to life-critical medicine, but we also increase our footprint.

Therefore, we are continuously working on finding opportunities to reduce our environmental impact through optimizing our processes and becoming more sustainable. As part of this, we work closely with our suppliers to reduce our environmental footprint.

Waste

As a parallel distributor, our production processes include repackaging of medicine. Due to this crucial step of repackaging, waste management plays an important role for our business, as our core processes naturally produce a high amount of waste.

Since 2019, we have had a highly effective waste management system, especially for paper and cardboard waste. With this system, we are able to sell our cardboard waste to a local vendor, who then recycles the cardboard into new products.

Furthermore, as part of the pharmaceutical industry, medical waste cannot be avoided as products reaching expiry must be destroyed. However, we are continuously working on reducing the amount of expired products through efficient inventory management and a focus on products approaching expiry.



Responsible energy consumption – A new global task force

In the Abacus Medicine Group, we care. Therefore, we established a new global task force in late 2022 that works to investigate how we can improve our energy consumption across the Group.

We saw this as a necessary step to take given the global circumstances around energy usage and the correlating high and increasing prices. We see it as our social responsibility to be conscious of our own consumption given the situation the world is currently in.

Many measures have already been introduced to improve energy efficiency in the past across our offices and production sites. For this new task force, all sites and offices will be looking into further optimization opportunities that fit local circumstances.



Focus Program

Transportation

Program Summary

The purpose of this program is to investigate and measure the environmental impact of transporting medicine.

Within this program, we focus on working towards the measurement of Scope 3 emissions, which are emitted through our third-party transportation suppliers used for the distribution of medicine. By investigating and measuring the transportation footprint of the Abacus Medicine Group, we are able to find optimization opportunities in our supply chain to reduce our environmental impact.

Results

In 2022, the Transportation program focused on mapping out the inbound and outbound transportation. This was successfully achieved, and defined the boundaries for measuring our Scope 3 emissions in our supply chain.

This will build the foundation for measuring the Scope 3 emissions from transportation in the future, allowing us to better understand the environmental impact of our supply chain.



Focus Program

Waste & Sourcing

Program Summary

The purpose of this program is to find environmentally friendly and sustainable solutions for handling our waste and thereby mitigating the environmental impact of our processes. Moreover, the program drives our efforts to have a more strategic and sustainable sourcing process, including packaging material as well as indirect and technical procurement.

Results

In 2022, the test phase of a new plastic baler at our largest production site in Hungary was started. This was an important step for our waste management system, as it enables us to include plastic waste in our recycling efforts. Moreover, we have taken steps to recycle hazardous waste and are currently focusing on sending electronic waste for recycling.

During 2022, we have investigated options to introduce the waste management sys-

tem from our Hungarian site at our other locations. While the project concluded that it is not feasible to invest into the same machinery, the ideology of increasing the amount of waste sent for recycling is shared across our locations, and local waste management systems around these efforts were introduced.

Moreover, the Abacus Medicine Group has introduced a new procurement policy, which requires the consideration of the environmental impact when making high value procurements that are unrelated to packaging materials.

Finally, the Waste & Sourcing program continuously works to reduce our medicinal waste through various strategic initiatives across the Group.



Governance

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Compliance and ethics in the Abacus Medicine Group

The Abacus Medicine Group has a compliance framework to ensure that we are transparent and accountable both towards our employees and our external stakeholders.

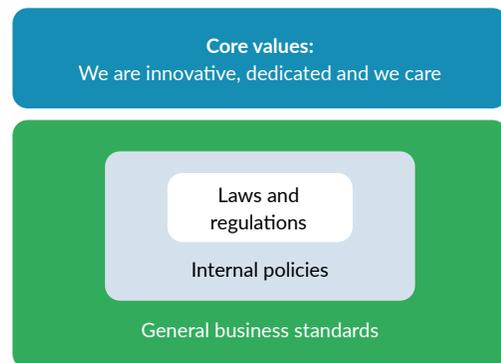
Our compliance framework is built in order to comply with relevant laws and regulations. We have added our own internal rules and policies and generally follow accepted standards for the conduct of business, but also to support two of our core values: We are **dedicated**, and we **care**. The compliance framework is signed by all new employees. It is part of our on-boarding program and can always be found on our intranet.

The compliance framework applies to all employees and representatives of the Abacus Medicine Group.

The Board of Directors review the compliance framework on an annual basis to ensure that all policies are up to date and reflect the regulations and the changing environment in which we operate. For our corporate governance please see the annual report.

Any employee who believes that we do not live up to our policies should contact their nearest manager or a member of the Executive Management Team. Should someone wish to make a report of non-compliance anonymously, the Abacus Medicine Group's **Whistleblowing Scheme** provides a platform for both internal and external stakeholders to report if we do not live up to any relevant regulation or the compliance framework. The Whistleblowing Scheme can be found on our website and on our intranet.

Structure of policies





The compliance framework consists of the following policies:

Policy overview

| Policy | Implemented first time | Last updated |
|---|------------------------|--------------|
| General policies | | |
| Sustainability Policy (Former "CSR Policy") | 2017 | 2022 |
| Whistleblower Policy | 2018 | 2022 |
| Specific policies | | |
| Anti-Discrimination Policy | 2020 | 2022 |
| Diversity Policy | 2019 | 2022 |
| General clauses related to working environment and employment | 2020 | 2022 |
| Anti-Human Trafficking and Anti-Human Slavery Policy | 2020 | 2022 |
| Supplier Code of Conduct for Transporters | 2021 | 2022 |
| Supplier Code of Conduct for Medicinal Suppliers | 2020 | 2022 |
| IT Security Policy | 2019 | 2022 |
| Personal Data and Privacy Policy | 2018 | 2022 |
| Guidelines for Handling Personal Data | 2022 | 2022 |
| Trade Sanctions Policy | 2019 | 2022 |
| Anti-Corruption and Conflict of Interest Policy | 2019 | 2022 |
| Trade Secrets Policy | 2020 | 2022 |

People

Anti-Discrimination

The Abacus Medicine Group is proud of having a very diverse workforce. We are committed to providing a work environment that is free of unlawful discrimination, including harassment.

Harassment by co-workers, supervisors, or any third parties ruins our work environment and undermines the integrity of the employment relationship. The Abacus Medicine Group will not tolerate any form of discrimination or harassment that violates our anti-discrimination policy.

Therefore, we expect all employees and representatives to show respect for all of their colleagues, customers, and vendors. In the past year we have had a strategic focus on **diversity and inclusion**, please refer to [page 18](#).

Ethics

Modern Slavery

The Abacus Medicine Group has zero tolerance regarding slavery and human trafficking. Our Modern Slavery Policies (Anti-Human Trafficking Policy and Anti-Slavery Policy), supplemented by our Code of Conduct for medicinal suppliers and transporters, are implemented to continuously

eliminate our participation in any human rights abuses.

We mainly operate in the EU, and trading of medicine in the EU is extremely regulated and the stakeholders are regularly controlled by the authorities. Therefore we believe that the risk of slavery, human trafficking and the violation of human rights is minimal. We have not identified any incidents of violation of human rights in our supply chain.

Anti-Corruption and Trade ethics

The Abacus Medicine Group operates globally and with many different stakeholders. We realise the risk this entails and therefore we have an **Anti-Corruption and Conflict of Interest Policy** that applies to all employees. These policies, along with our **Trade Secrets & Trade Sanctions Policies**, support our employees and representatives in making the right decisions and ensure that we conduct business in a fair and ethical way.

Just as we set standards for ourselves, we have implemented a **Supplier Code of Conduct** for both medicinal suppliers and external transport partners. We expect our suppliers to share our focus on ethics, human rights and protecting the environment. We believe this is important for keeping the trusted relationship we have with them.



Data Ethics

We protect fundamental rights in relation to personal data. Our **Personal Data and Privacy Policy** and **Guidelines for Handling of Personal Data** can be found on our website. They ensure that we comply with laws and regulations in relation to the protection of personal data.

The Abacus Medicine Group mainly trades business to business and therefore only deals with a limited amount of personal data. The Group has not implemented any technologies that would give rise to ethical concerns regarding personal data. Therefore we have not implemented a Data Ethics Policy.

The use of non-personal data within the Abacus Medicine Group does not involve any new technologies that give rise to ethical concerns. The need for a Data Ethics Policy will be re-evaluated in 2023.

Tax Policy

In the Abacus Medicine Group, we look to the UN Sustainable Development Goals to guide us on responsible corporate citizenship and ensure that we meet stakeholder expectations to a sustainable business. By adhering to our Tax Policy and paying our fair share of taxes, we believe that we contribute both directly and indirectly to the UN Sustainable Development Goal 16.6 on the development of effective, accountable and transparent institutions.



Focus Program

Supplier Code of Conduct

Program Summary

The overarching purpose of the Supplier Code of Conduct is to ensure that all our suppliers comply with the given set of legal, ethical, regulatory and moral guidelines that the Abacus Medicine Group has put forward. We recognise that our Group's responsibility may extend even beyond the letter of the law.

The Supplier Code of Conduct guarantees a productive and safe cooperation between the Abacus Medicine Group and each of our suppliers. With the Supplier Code of Conducts, we ensure as far as possible that we are aligned with our various suppliers on legal, regulatory, ethical and moral standards.

The program entails standards in relation to fair competition, business integrity, protection of the environment, fairness and non-discriminating treatment of employees.

Results

In 2022, we continued our work from previous years in relation to sending out and receiving signatures from all our active suppliers.

This year, we introduced our new Supplier Code of Conduct for Transporters. Within this first year, we have made great progress with sending out and receiving signatures for this policy and we will continue these efforts in 2023.

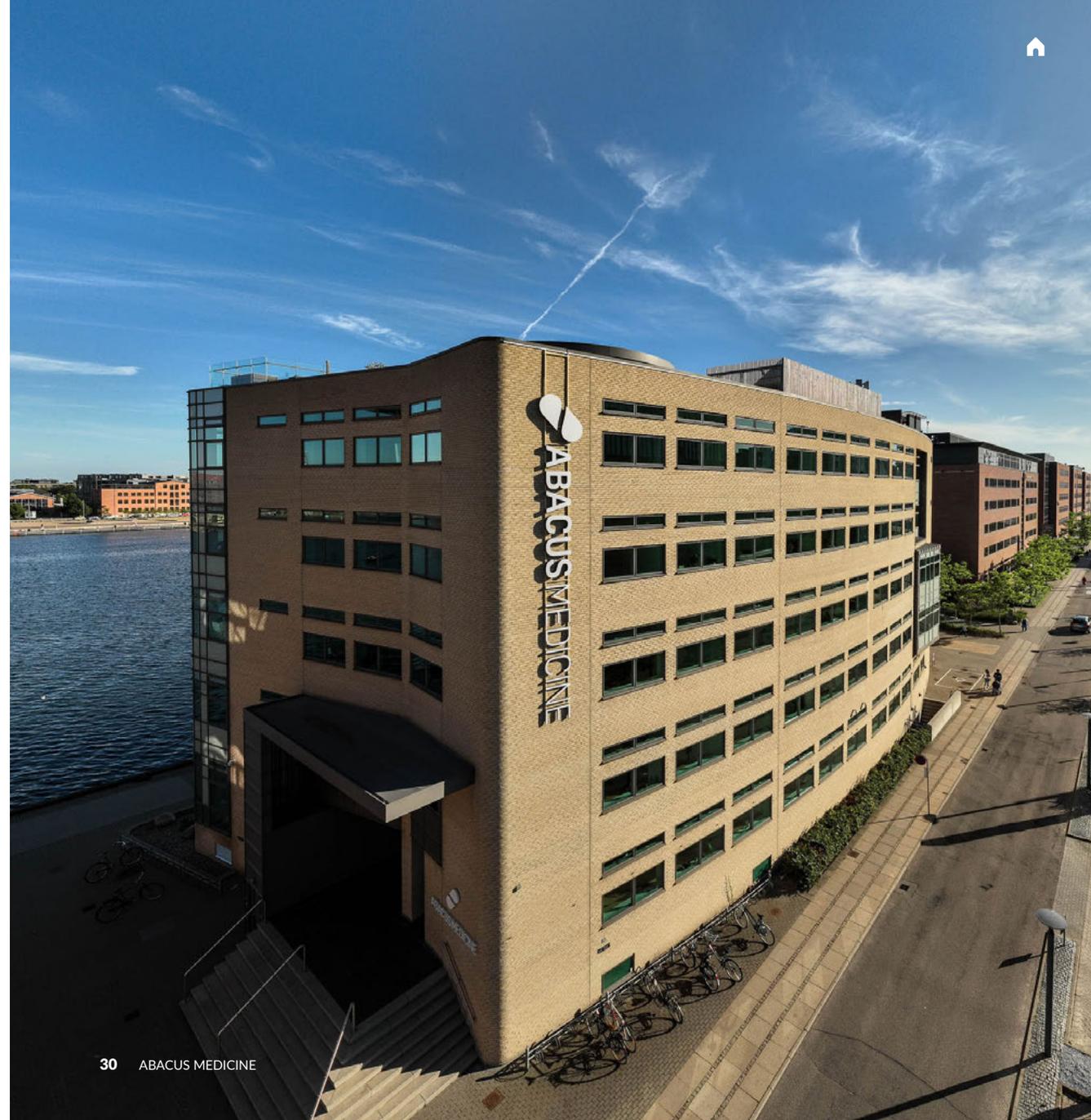
The work and efforts from previous years for the Supplier Code of Conduct for Medicinal Suppliers were continued in 2022.



KPIs

- ESG Data
- Frameworks and accounting principles

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ESG Data

| Environment | Unit | 2018 | 2019 | 2020 | 2021 | 2022 | 2026 Target |
|--|---------------------------------|---------|---------|-----------|-----------|-----------|-------------|
| Direct GHG Emissions (Scope 1) | Metric tonnes CO ₂ e | 62.6 | 109.4 | 155.2 | 239.0* | 213.7 | |
| Electricity Consumption | kwh | 391,664 | 821,385 | 1,296,230 | 2,094,133 | 2,425,815 | |
| Renewable Electricity Share | % | 25.0 | 20.0 | 29.0 | 31.0 | 32.0 | |
| Indirect GHG Emissions - Electricity Consumption (Scope 2) | | | | | | | |
| Market-based | Metric tonnes CO ₂ e | - | - | - | 548.7 | 601.3 | |
| Location-based | Metric tonnes CO ₂ e | - | - | - | 664.4 | 715.1 | |
| Social | | | | | | | |
| Employee Headcount | Number of employees | 568 | 770 | 1,073 | 1,148 | 1,279 | |
| Full-time Equivalents | Number of FTEs | 449 | 618 | 912 | 1,052 | 1,140 | |
| Gender Diversity | % | 57.0 | 61.0 | 59.0 | 59.0 | 60.0 | |
| Gender Diversity EMT | % | 11.0 | 11.0 | 8.0 | 22.0 | 30.0 | 40/60 |
| Gender Diversity SMT | % | - | - | - | 20.5 | 21.4 | 40/60 |
| Employee Turnover Rate | % | 13.9* | 15.4* | 10.6* | 16.4* | 18.2 | |
| Sickness Absence | Days per FTE | 9.8 | 11.3 | 11.2 | 14.8 | 13.6 | |
| Employee Survey Participation Rate | % | - | 83.0 | 87.0 | 82.0 | 81.0 | 85 |
| Employee Satisfaction Score | Index 1-5 | - | 3.9 | 3.9 | 4.0 | 3.9 | 4.0 |
| Governance | | | | | | | |
| Gender Diversity, Board | % | 0 | 0 | 0 | 14.0 | 14.0 | 40/60 |
| GDPR breaches | Number | 0 | 2 | 2 | 1 | 1 | |
| Whistleblower cases | Number | 0 | 0 | 1 | 0* | 0 | |

Sickness absence includes COVID-19 related absence.
 Historical data is not available for all metrics for all years.
 The ESG data has not been subject to an audit.

* The number has been adjusted subsequently



Framework and accounting principles

For all metrics Pluripharm Group is included from August 2020 which represents the time of acquisition.

| Environment | Accounting Policy | Entities |
|--------------------------------------|--|---|
| Scope 1 emissions | The calculation of scope 1 emissions is based on the Greenhouse Gas Protocol and includes the direct greenhouse gases from gas base heating and company cars. | Abacus Medicine Group |
| Electricity Consumption | The electricity consumption data is taken from invoices, and if needed, based on estimates on a monthly basis. | Abacus Medicine Denmark, Netherlands, and Hungary, Pluripharm Group |
| Renewable electricity share | The renewable electricity share is calculated as the renewable electricity consumption (including certified offsets) divided by the total electricity consumption. | Abacus Medicine Denmark, Netherlands, and Hungary, Pluripharm Group |
| Indirect GHG emissions (Scope 2) | The calculation of scope 2 emissions is based on the Greenhouse Gas Protocol and includes indirect greenhouse gases from electricity consumption. The Emission Factors for the electricity consumption are obtained from AIB 2021/2022. Renewable energy certificates have been included for calculating market-based emissions. | Abacus Medicine Denmark, Netherlands, and Hungary, Pluripharm Group |
| Social | Accounting Policy | Entities |
| Employee headcount | Number of headcounts at year end. | Abacus Medicine Group |
| Full-time Equivalents | Number of headcounts converted into average Full-time Equivalents (FTEs) over the year. | Abacus Medicine Group |
| Gender Diversity | The distribution of the entire workforce, excluding external consultants, measured by headcount. Calculated as end of year female workforce divided by total workforce. | Abacus Medicine Group |
| Gender Diversity, EMT | Consists of members of the Executive Management Team. Calculated as female members divided by total members. | Abacus Medicine Group |
| Gender Diversity, SMT | Consists of members of the Senior Management Team. Calculated as female members divided by total members. | Abacus Medicine Group |
| Employee Turnover Rate | The employee turnover rate is calculated as the number of headcounts who left the company over a year divided by the average number of headcounts over the year. | Abacus Medicine Group |
| Sickness Absence | Sickness absence days are calculated as total number of sickness absence days for all FTEs divided by the average FTEs in the financial year. The calculation is based on 4 entities representing 96% of the total number of FTEs. | Abacus Medicine Denmark, Netherlands, and Hungary, Pluripharm Group |
| Employee Survey Participation Rate | Based on the yearly employee survey and included in the year where the survey took place. | Abacus Medicine Group |
| Employee Engagement Score | Based on the yearly employee survey and included in the year where the survey took place. | Abacus Medicine Group |
| Governance | Accounting Policy | Entities |
| Gender Diversity, Board of Directors | Consists of members elected at the general assembly. Calculated as female members divided by total members. | Abacus Medicine Group |
| GDPR Breaches | Number of GDPR breaches registered. | Abacus Medicine Group |
| Whistleblower Cases | Number of whistleblower cases registered. | Abacus Medicine Group |



ABACUS MEDICINE

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