



ORION GROUP

Sustainability Report 2023



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ACTIVE WORK FOR A BETTER ENVIRONMENT
Energy efficiency target achieved

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ETHICS AT THE CORE OF OUR BUSINESS
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CARE FOR WELL-BEING PROFESSIONALS
Received recognition for our strategic leadership development programme

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Orion – Building well-being

Orion is a globally operating Finnish pharmaceutical company – a builder of well-being. We develop, manufacture and market human and veterinary pharmaceuticals and active pharmaceutical ingredients. Orion has an extensive portfolio of proprietary and generic medicines and consumer health products. The core therapy areas of our pharmaceutical R&D are oncology and pain. Proprietary products developed by Orion are used to treat cancer, neurological diseases and respiratory diseases, among others.

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This is Orion

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Orion has an extensive portfolio of proprietary and generic medicines and consumer health products. The core therapy areas of our pharmaceutical R&D are oncology and pain. Proprietary products developed by Orion are used to treat cancer, neurological diseases and respiratory diseases, among others.

Orion’s purpose is building well-being.

Well-being means something unique for each human being in all stages of life. We draw on our century-long experience in healthcare while keeping our sights firmly set on future innovations to support you every step of your way.

Our novel therapies help change the lives of patients across the globe. We serve societies in sustaining health systems with a diverse portfolio of cost-effective and value-adding drugs. Our veterinary products enable pet owners and farmers to care for their animals

Inspired by our Nordic heritage, we strive to empower people around the world to live their lives to the fullest – today and tomorrow.

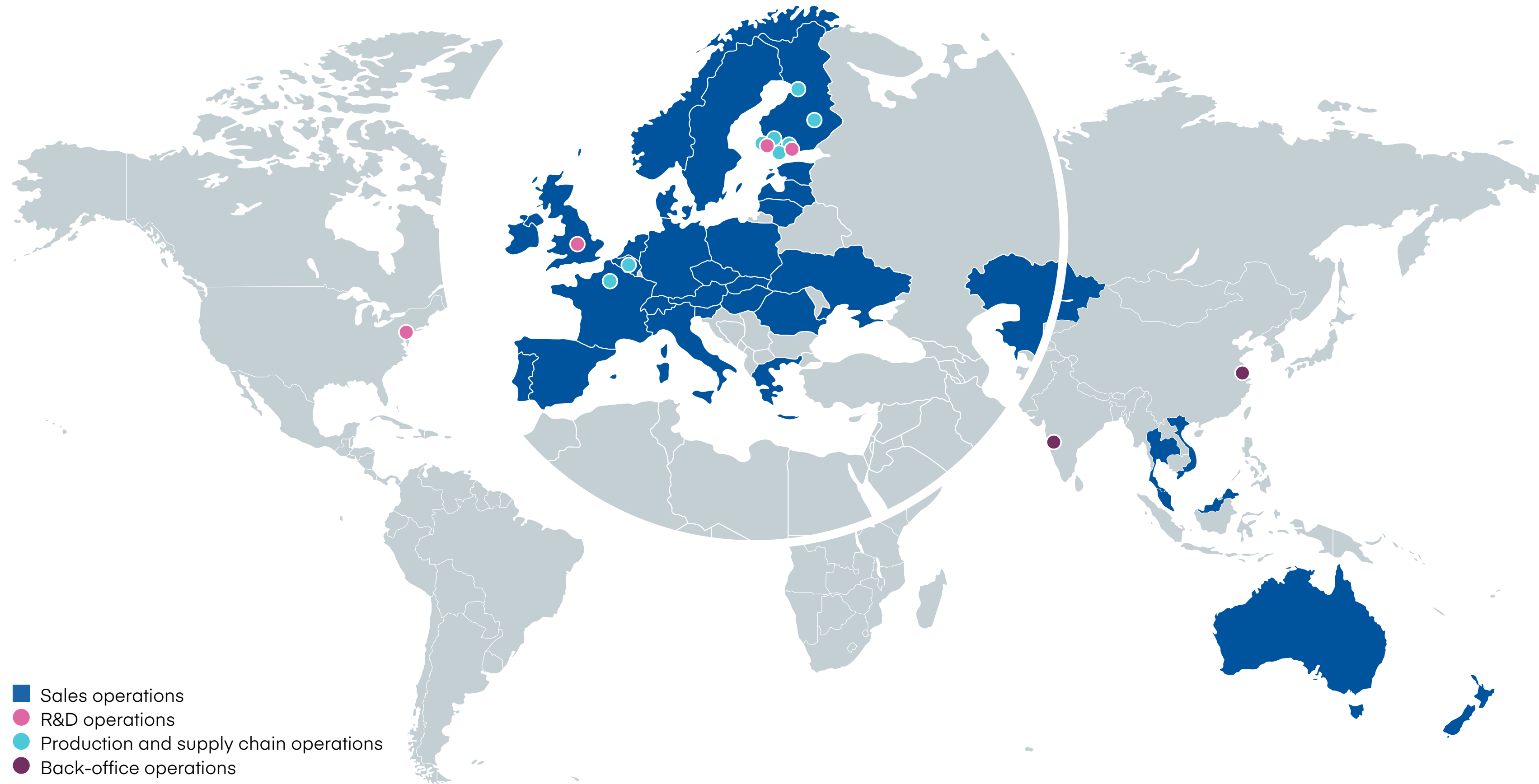
BUSINESS AREAS IN THE END OF 2023

<p>INNOVATIVE MEDICINES</p> <p>Innovative medicines developed or marketed by Orion, and which have patent or other product protection. Research focus areas oncology and pain.</p>	<p>BRANDED PRODUCTS</p> <p>Orion’s in-house developed legacy products and other products with brand value that provides a competitive advantage.</p>	<p>GENERICS AND CONSUMER HEALTH</p> <p>Generic prescription medicines, biosimilars and self-care products.</p>	<p>ANIMAL HEALTH</p> <p>Proprietary and generic products for companion animals and livestock.</p>	<p>FERMION</p> <p>Active pharmaceutical ingredients for Orion and other pharma companies.</p>

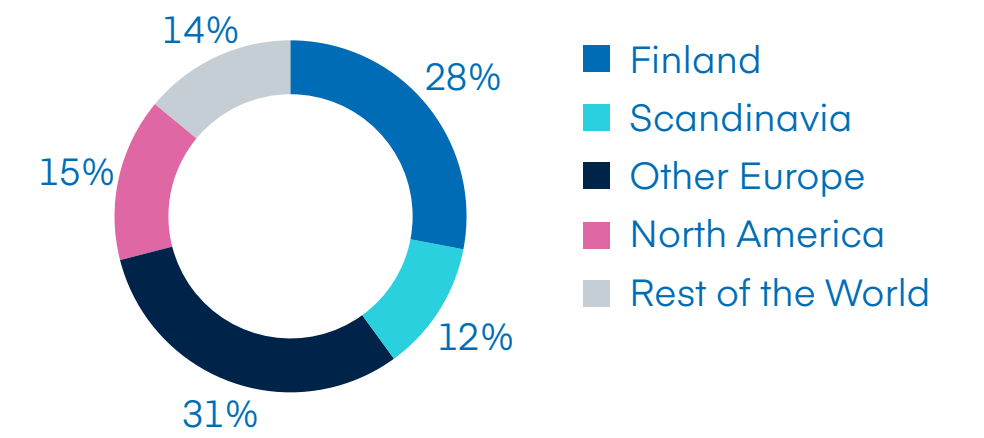
Our customers include healthcare providers and professionals, consumers and other pharmaceutical companies. In healthcare, our customers are primarily specialist doctors and general practitioners, veterinarians, nurses, pharmacies, hospitals, healthcare centres, clinics and laboratories and their respective procurement organisations. Orion’s products are available in pharmacies and hospitals in over one hundred countries.

[Read more: orion.fi/en](https://orion.fi/en)

ORION'S PRODUCTS ARE AVAILABLE IN OVER ONE HUNDRED COUNTRIES



Net sales by market area



Net sales,
MEUR

1,190

CEO's review

Sustainability is an increasingly integral part of our business



The year 2023 was the first full year since the pandemic in which we were able to meet our customers, partners and stakeholders in person again. Although things have largely returned to normal – albeit a new normal – the world is, however, more unstable than ever.

The war in Ukraine, the tensions in the Baltic Sea region and the escalated conflict in Middle East affect both our operating environment and us as people. Orion's workforce is diverse with Orionees representing more than 40 different nationalities. That is why many of us are impacted by the increasing instability of the world.

Due to Russia's war against Ukraine, we ceased our operations in Russia and sought alternative suppliers for the raw materials and solvents we use. We raised our level of preparedness in many ways in 2023 and will continue this work in 2024. This has further continued due to conflict in Middle East.

Double materiality assessment will guide our sustainability work

In our sustainability work, we have been preparing for the reporting requirements of the EU Corporate Sustainability Reporting Directive (CSRD), which will enter into force in 2024. This year, we conducted a double materiality assessment to have an even better understanding of what to focus on in our sustainability work. In the assessment, we examined not only the

impacts of our business activities on the environment, people and society, but also the impact of different sustainability themes on our business activities.

In the assessment, we identified our most material sustainability impacts, and the risks and business opportunities linked to sustainability. This more systematic and comprehensive assessment will help us to integrate sustainability even more closely into our business operations. The results of the assessment also showed us that we have already been focusing on the right issues.

Orion social responsibility roadmap will help Orion to strengthen its implementation of the UN Guiding Principles throughout the value chain

We have drawn up a social responsibility roadmap that is centred around strengthening the realisation of human rights throughout our value chain. Diversity, equity and inclusion (DEI) are also key themes of the roadmap. The roadmap brings together our principles and progress in terms of social responsibility and helps to develop various themes throughout the value chain.

The roadmap will help us to better ensure the realisation of human rights in an industry where social responsibility is of paramount importance, even purely from the perspective of patient safety – after all, the patient is at the heart of everything we do.

Energy efficiency measures lead us towards carbon neutrality in our own operations

Our goal is to achieve carbon neutrality in our own operations by 2030. We have made rapid progress towards the achievement of this goal and have been able to make our energy efficiency targets even more ambitious along the way.

Our manufacturing plant in Turku has a heat pump plant that utilises the plant's waste heat and outdoor air for heat production. A similar project was implemented in Espoo during 2023, so in the future we can utilise the waste heat from production processes, and energy from outdoor air, in producing heat for the network of Orion Espoo. The heat pump at the Espoo plant produces CO₂-free heat energy which will cover half of the needed heat energy at the Espoo campus.

We are implementing many different energy efficiency projects across all our sites and each of these will contribute to our carbon neutrality goal.

Progressing towards even more ambitious sustainability goals

Sustainability and sustainability reporting are undergoing a fundamental change. In 2024, our sustainability work will largely focus on meeting the requirements of the EU CSRD and developing our reporting process.

Our sustainability work has previously focused more on the external impacts of our activities, but we are now increasingly broadening our perspective to include the risks and opportunities of different sustainability themes on our business activities.

Of course, this is not a new way of thinking for us, but we have not carried out this type of work to this extent, or in such an in-depth or systematic way before. During 2024, we will develop our internal processes and data collection to ensure that we can appropriately meet the requirements of the CSRD.

Sustainability is embedded in every part of our business and value chain

As a pharmaceutical company, ensuring quality, patient safety and the security of supply of medicines are our top priorities. In 2024, we will focus on integrating sustainability aspects even more closely into our business, processes and value chain in line with the CSRD.

Sustainability is not built alone. Therefore, I would like to warmly thank every Orionee and all of our partners and stakeholders for their hard work throughout 2023. Let's continue this good work together.

Liisa Hurme
President and CEO

Orion's impact in the society

Orion's primary role is to ensure the availability of pharmaceuticals to patients who need them. By supporting people's health, Orion creates indirect positive impacts on society, for example through people's contributions to the economy, and by contributing to the healthcare system.

Orion as a company also makes a major contribution to society by paying taxes and employing people.

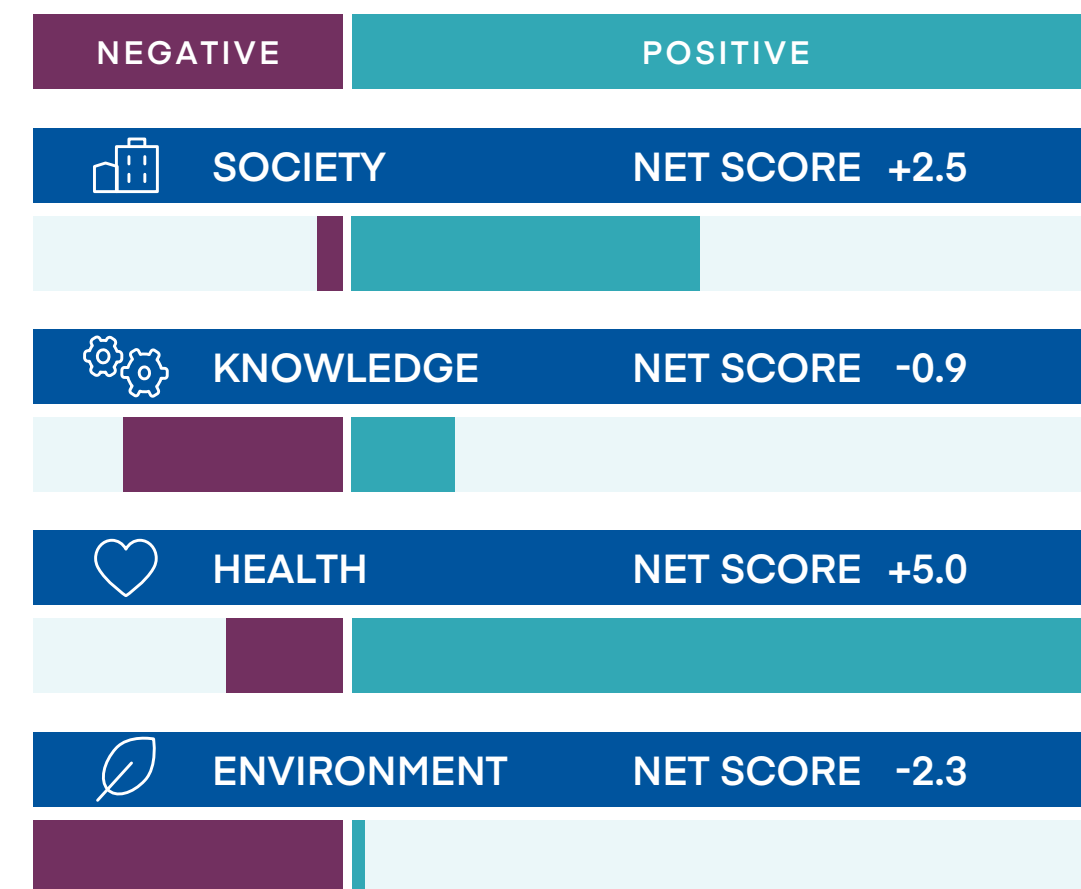
Orion plays a significant role in ensuring reliable supply of medications globally. In Finland, Orion is a part of the healthcare chain with an important role in Finland's security of supply. Orion maintains security stocks of medicines in Finland and also strengthens the Finnish manufacturing of pharmaceuticals. Orion is the only Finnish producer of commercial APIs, a major producer of medicines with the largest portfolio in the country, and the sole producer of several medicines.

Orion's research and development operations create information and knowledge of medicines and therapies. Orion also promotes world-class drug development by cooperation with universities.

Net impact

Orion is a company with a significant positive impact on the world.

The value that Orion's business creates for the world is encapsulated by the net impact profile. Here, the bars to the left represent resources used and the negative impacts created, while the bars to the right balance the profile out with the positive impact achieved with those resources. The profile has been produced by the Upright Project's net impact quantification model.



NET IMPACT RATIO +45%

Overall, Orion's business is highly net positive. Our purpose of building well-being is visible as a clearly positive impact on improving both physical and mental health. Through R&D efforts, Orion also creates a wealth of knowledge on new drugs and therapies.

The Upright model

The Upright quantification model uses machine-learning based technology to process the knowledge contained in millions of scientific articles and create net impact profiles of companies. Read more about the model at uprightproject.com

The pharmaceutical product availability in Finland

95%

R&D investments, MEUR

127

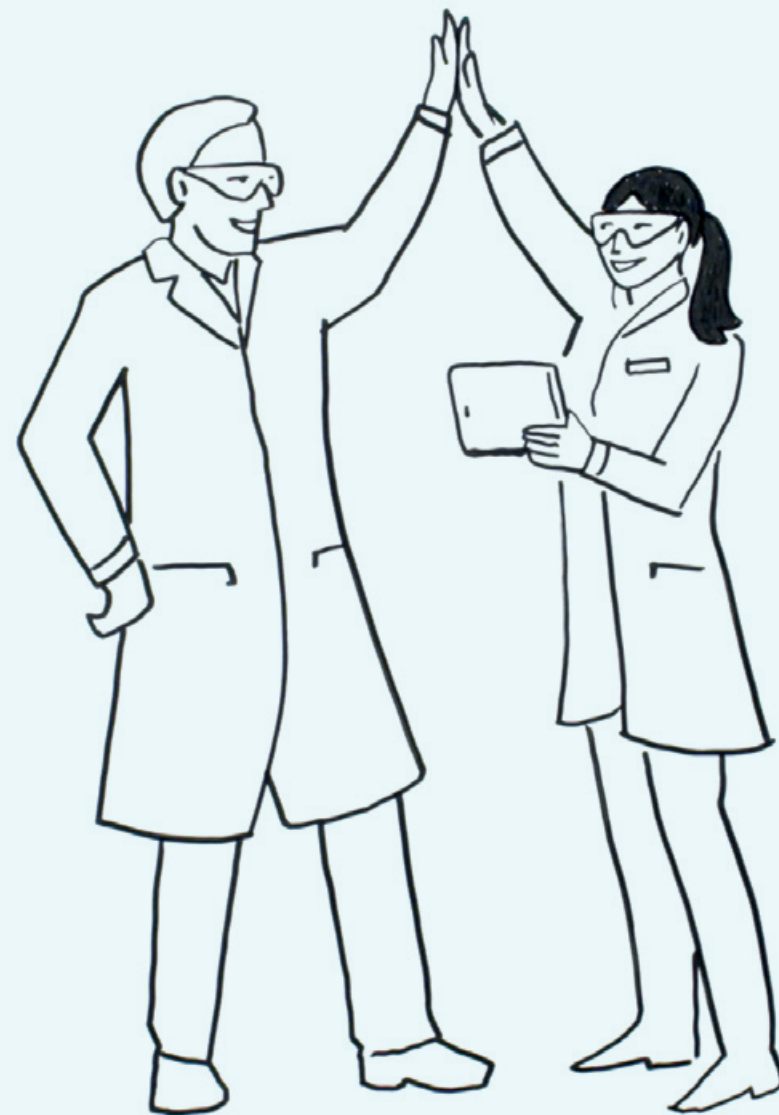
Values and principles

Our values are the foundation for Orion’s operations, and they characterise our way of working within the Orion Group.

Our values are:

Appreciate each other

We succeed, face challenges and learn together. We build in all collaboration on mutual trust, appreciation and diversity.



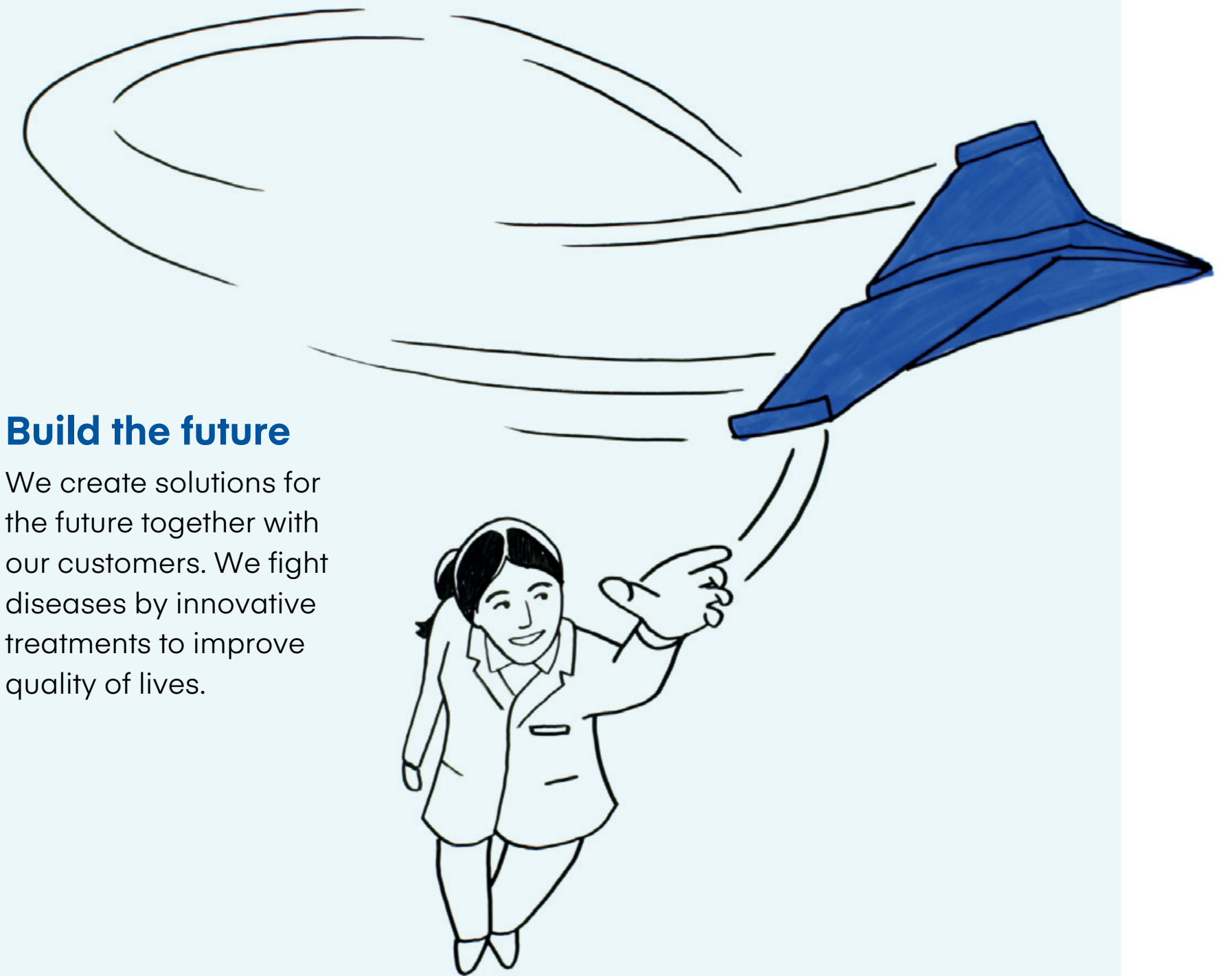
Strive for excellence

We aim at high performance in everything we do. We embrace safety and quality. We actively develop our operations and work in sustainable way.



Build the future

We create solutions for the future together with our customers. We fight diseases by innovative treatments to improve quality of lives.



HOW ORION CREATES VALUE

INPUTS

FINANCIAL CAPITAL

- Equity, debts and cash

HUMAN CAPITAL

- Over 3,600 professionals

INFRASTRUCTURE & FACILITIES

- 8 production facilities in Finland, France and Belgium
- R&D operations in Finland, UK & the United States

INTELLECTUAL CAPITAL

- Patents, trademarks

NATURAL CAPITAL

- Energy
- Fresh water

SOCIAL & RELATIONSHIP CAPITAL

- Suppliers in over 50 countries
- Global partner network for sales

OUR BUSINESS

**ORION IS A GLOBALLY OPERATING
FINNISH PHARMACEUTICAL COMPANY
– A BUILDER OF WELL-BEING.**

OUR PRODUCTS:

- Human pharmaceuticals
- Self-care products
- Veterinary pharmaceuticals
- Active pharmaceutical ingredients

OUR CORE THERAPY AREAS IN R&D:

- Oncology
- Pain

OUTPUTS & IMPACTS



PATIENTS AND CUSTOMERS

- Effective treatments for illnesses and improved quality of life – in Finland and globally
- Self-care products support overall well-being



PERSONNEL

- Wages and benefits
- Employee safety & well-being
- Competence development



SHAREHOLDERS

- Total shareholder return



SOCIETY

- Reliable supply of medications globally
- Security of supply of medicines in Finland
- Taxes
- Donations for purposes of public interest
- Investments to R&D and production capacity in Finland
- Medicinal innovations
- Research studies



ENVIRONMENT

- Emissions to air
- Waste
- Carbon neutral Orion by 2030
- Best available technologies for wastewater management in own production plants



VALUE CHAIN PARTNERS

- Purchases in over 50 countries
- Sustainability requirements for suppliers and partners
- Supplier engagement



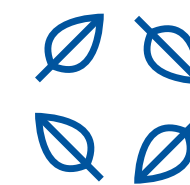
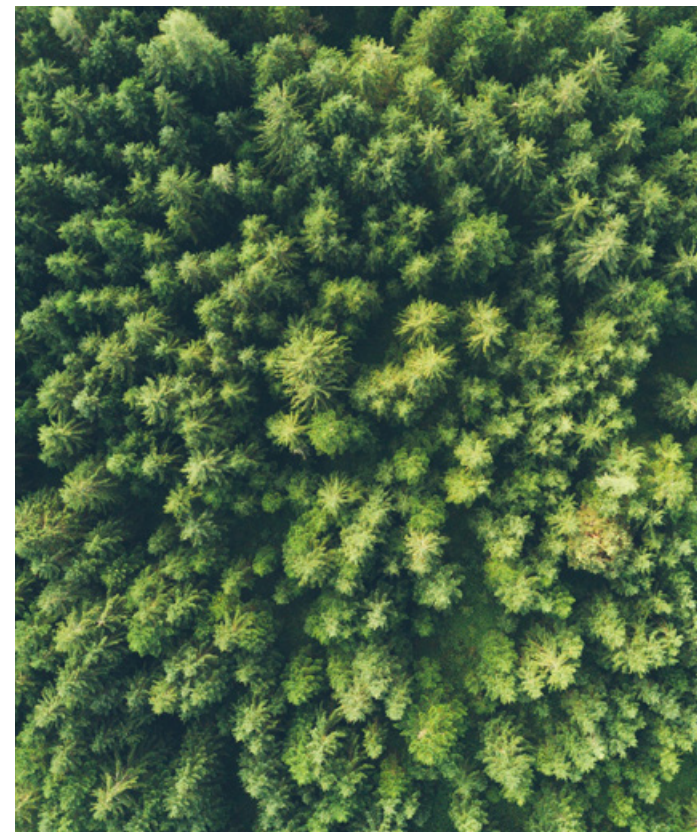
Sustainability highlights



Patient safety as a top priority

Despite a challenging global environment, our supply remained on a good level throughout 2023.

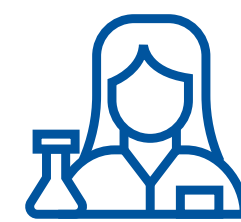
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Active work for a better environment

We successfully implemented several projects to improve energy efficiency and reduce emissions which led to 11,459 MWh energy savings.

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Care for well-being professionals

Orion conducted its first employee survey dedicated specifically to the topics of diversity and inclusion for its whole personnel.

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Ethics at the core of our business

Orion compiled a social responsibility roadmap which covers actions and steps concerning strengthening the prevention, mitigation, and ending of adverse impacts to right-holders throughout the value chain.

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WE WILL CONTINUE TO IMPROVE

We expect the approval of our science-based climate targets for all of our emission Scopes to take place in 2024.

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We will carry out the development actions of Orion Safety Value Creation program set for the year 2024 to achieve the company's long-term safety objectives.

[> READ MORE](#)

We will start the implementation of social responsibility roadmap 2024–2026 to strengthen the prevention, mitigation, and ending of adverse impacts to right-holders throughout the value chain.

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Our approach

Orion's Sustainability Agenda sets the guidelines for the development of our comprehensive sustainability work in the short and long term. The Sustainability Agenda comprises four themes: Patient safety as a top priority, Active work for a better environment, Care for well-being professionals, and Ethics at the core of our business. It aggregates the Company's defined sustainability commitments, targets, actions, and metrics of the four key themes.

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Sustainability at Orion

We are committed to the continuous improvement of our performance in sustainability.

Orion’s Sustainability Agenda sets the guidelines for the development of our comprehensive sustainability work in the short and long term. The Sustainability Agenda comprises four themes: Patient safety as a top priority, Active work for a better environment, Care for well-being professionals, and Ethics at the core of our business. It aggregates the Company’s defined sustainability commitments, targets, actions, and metrics of the four key themes.

We are committed to operating in a responsible and sustainable manner and enhancing ethical working practices. Our Code of Conduct (CoC) determines the basic principles that our employees are expected to follow in their interactions with one another and with the stakeholders of our company, as well as with society and the environment. Each of our employees should be committed to the high ethical standards and business practices as outlined in our CoC.

In addition, our operations and ways of working are subject to specifically determined company policies and numerous mandatory guidelines concerning our practices. All of our policies have been approved by the Group’s executive management, and they are applied throughout the Group. Good Practices (GxP) are required to be followed by healthcare industries worldwide in the development and manufacturing of

pharmaceuticals. Standard Operating Procedures (SOPs) are detailed internal guidelines, based on the GxP, providing details of the procedures to be applied in work phases as well as the related requirements and responsibilities.

In addition to the regulatory requirements from healthcare authorities, pharmaceutical companies are bound by numerous commonly agreed industry rules and codes concerning marketing, research and development, and collaboration with healthcare professionals and patient organisations.

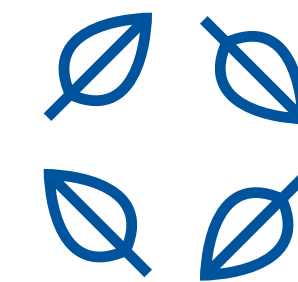
Our corporate strategy emphasises a strong culture of collaboration, based on significant work that creates value for our customers. We want to be an excellent workplace and a responsible and attractive employer that continuously develops the well-being and skills of its employees.

OUR SUSTAINABILITY COMMITMENTS



Patient safety as a top priority

Patient safety has been a priority for us for over a hundred years and it continues to be the cornerstone of our daily operations. We play a significant role in ensuring the reliable supply of medications – even in the wake of a crisis.



Active work for a better environment

We want to be the environmental leaders in our industry. We continuously raise the bar in climate and environmental responsibility, and we challenge others to follow. We are strongly heading towards achieving carbon neutrality in our own operations by 2030.



Care for well-being professionals

We want to take care of Orionees – professionals who put their heart and expertise in everything they do. Our workplace is inspiring. We want our people to feel well.


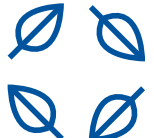




Ethics at the core of our business

We maintain strict ethical standards and act responsibly in all situations. Together with our partners we are building a transparent and sustainable business.

TARGETS AND PERFORMANCE

CORPORATE RESPONSIBILITY FOCUS AREA

FOCUS AREA	TARGET	2023 PERFORMANCE	PROGRESS	ACTIONS TAKEN AND PLANNED
 PATIENT SAFETY AS A TOP PRIORITY	Orion ensures reliable supply of medications	95% pharmaceutical product availability in Finland	●	<ul style="list-style-type: none"> Systematic supplier management and risk management. Establishing alternative suppliers to mitigate risk. Increasing safety stocks for selected products.
	Orion ensures patient safety, which is the fundamental priority in everything we do	5 quality related product recalls	●	<ul style="list-style-type: none"> Continuous evaluation of quality and safety to ensure optimal benefit-risk balance of our products and to protect patients.
 ACTIVE WORK FOR A BETTER ENVIRONMENT	Improving energy efficiency by 15% (24,500 MWh) by 2025 (baseline 2016)	108% of Energy Efficiency targets achieved	●	<ul style="list-style-type: none"> Several energy efficiency projects made, and energy efficiency target achieved in 2023. After reaching the target in 2023, Orion set a higher target of 17% improvement in energy efficiency by the end of 2025.
	Carbon neutrality of our own operations (Scope 1 and 2) by 2030	GHG emissions (Scope 1 and 2) -69% compared with 2016 baseline	●	<ul style="list-style-type: none"> Orion took actions according GHG emission reductions roadmap 2020–2030 and will continue these actions in the future. Further developed the Scope 3 GHG emissions calculations which cover now the whole Group. Orion has committed to align its business – including its full value chain – with limiting global warming to 1.5°C. Aim to set science-based targets during 2024.
	Reduction of share of hazardous waste per total waste	Hazardous waste per total waste 80%	●	<ul style="list-style-type: none"> Orion continues development projects based on findings from analysis conducted and continues identifying improvement opportunities.
 CARE FOR WELL-BEING PROFESSIONALS	LTIF 1 ≤ 2.9 by 2023	LTIF 1 4.8	●	<ul style="list-style-type: none"> Launch of Orion Safety Value Creation program for Global operations in 2023 to achieve the Company's long-term safety objectives. Safety Value Creation program's development actions to be carried out in 2024 and 2025. Lessons learned and best practices to be shared continuously throughout the organisation.
	Decrease absences due to illness	Absence rate due to illness 3.5%	●	<ul style="list-style-type: none"> Orion recognized with the Supporting Mental Health at Work -label again. Continued to apply the Mental Support operating model and arranged Mental Well-being training for line managers in 2023. Launch of Shift Work Support operating model in 2023. Continue developing line managers' skills and capabilities to support mental well-being at work during 2024.
 ETHICS AT THE CORE OF OUR BUSINESS	Orion ensures that all employees receive mandatory Code of Conduct e-learning	460 Orionees trained in 2023	●	<ul style="list-style-type: none"> Two additional language versions of the policy and e-learning published in 2023. Continue to develop reporting.
	Orion ensures that all salaried and senior salaried employees are regularly trained on anti-corruption and anti-bribery matters.	348 Orionees trained in 2023	●	<ul style="list-style-type: none"> A targeted training for VMD personnel organised. An additional language version of the policy and e-learning published in 2023. Continue to develop reporting.
	100 % of active packaging material, raw material and product suppliers confirm adherence to Orion Third Party Code of Conduct	99,7% of active packaging material, raw material and product suppliers confirmed adherence	●	<ul style="list-style-type: none"> Actions to support sustainable procurement process continue. Sustainability trainings to procurement organisation and suppliers.

Double materiality assessment

Shortlist of Orion’s double material topics in accordance with Orion’s Sustainability Agenda

During the assessment process, the material topics were identified, a longlist of topics was formulated, stakeholder views were gathered, topics were shortlisted, assessed and prioritised.



PATIENT SAFETY AS A TOP PRIORITY

1. Products that are effective, high quality and safe to use
2. Safety of patients, consumers and animals
3. Responsible research & development of new medicines and treatments
4. Providing accurate product information and supporting correct use of medicines
5. Ensuring product availability and accessibility in primary markets



ACTIVE WORK FOR A BETTER ENVIRONMENT

6. Impacts on biodiversity & ecosystems including reducing pollution and pharmaceuticals in the environment
7. Resource efficient manufacturing, including energy and materials
8. Climate change mitigation



CARE FOR WELL-BEING PROFESSIONALS

9. Employee health, safety & well-being and work-related rights
10. Diverse and inclusive work community, equal treatment and capability development



ETHICS AT THE CORE OF OUR BUSINESS

11. Business ethics and regulatory compliance
12. Transparent and sustainable supply chain, including consideration for health & safety and work-related rights

In spring 2023, Orion conducted a materiality assessment together with an external consultancy following the 'double materiality' approach, which combines impact materiality and financial materiality. In the process, we identified, assessed, and prioritised our potential and actual impacts on people and the environment, as well as risks and opportunities that have, or may have financial effects on our business. Through understanding the material impacts, risks and opportunities, we were able to identify sustainability topics that impact our stakeholders and are particularly relevant for us and our business, both today and in the future. The assessment covered the whole value chain and all operations of Orion.

The working group consisted of Orionees from relevant functions such as different business units, strategic planning and risk management, finance, procurement, and investor relations. In addition, external stakeholders were consulted through a stakeholder survey and in workshops.

By engaging internal and external stakeholders, we wanted to ensure that the impacts were considered comprehensively, including impacts that may potentially be, or are caused by our own operations, or take place in our downstream or upstream value chain.

Four phases of materiality assessment

In the first phase of the assessment, the longlist of potentially material sustainability topics was created based on the European Sustainability Reporting Standards. To ensure the relevance of the topics from the industry perspective, other voluntary standard frameworks, as well as Orion's previous materiality assessment results and other relevant documents such as the company's policies, process descriptions and risk assessment results were utilised when compiling the list.

In the second phase, an online stakeholder study was conducted to ensure stakeholder engagement and to better understand how affected stakeholders may be impacted. A preliminary shortlist of material sustainability topics was formulated based on the stakeholder study input on impact materiality, a desktop review of relevant materials, and work meetings and discussions.

Then, the topics were further assessed and placed on a scale 1–3 in terms of their impact and financial materiality considering actual and potential impacts, dependencies, risks and opportunities, and short, medium, and long-term time horizons. The assessment and placing on a scale included a workshop session utilising an external consultancy's assessment tool and was supplemented with a desktop analysis of impacts. The negative impacts were assessed and placed on a scale based on their

relative severity and likelihood, and positive impacts based on their relative scale, scope, and likelihood. The consideration of these aspects placed impacts on a 1–3 scale where 1 stated a minor impact, 2 stated a moderate impact and 3 for a severe impact. A sustainability topic was considered as not material from the impact side if its impacts received a value of 1 or less. The financial materiality was assessed based on the likelihood, magnitude, and nature of effect of the identified risks and opportunities. We used the same financial thresholds to assess the magnitude of risks and opportunities which are used for other types of risks to ensure comparability and prioritising. After the workshop, the assessment results were validated by the working group.

In the last phase, the assessment results were reported and presented to Orion Executive Management Board. Orion has improved its sustainability work based on the results and ensured that the aspects of material topics which were not yet part of its Sustainability Agenda were integrated there. Orion is currently integrating the newly identified topics into its risk management process and is developing an overall sustainability integration for the risk management process.

The results

The outcome of the materiality assessment largely aligns with Orion's previous materiality assessment. All topics identified in Orion's 2018 materiality

assessment were also present in the 2023 double materiality assessment's topics, even though possibly under different names, to comprehensively encompass all relevant aspects. However, some new topics were also introduced.

On the environmental side, the newly added material topic is impact on biodiversity and ecosystems. The pharmaceutical industry depends in many ways on the raw materials provided by ecosystem services, and we want to ensure that our operations or value chain do not contribute to biodiversity loss.

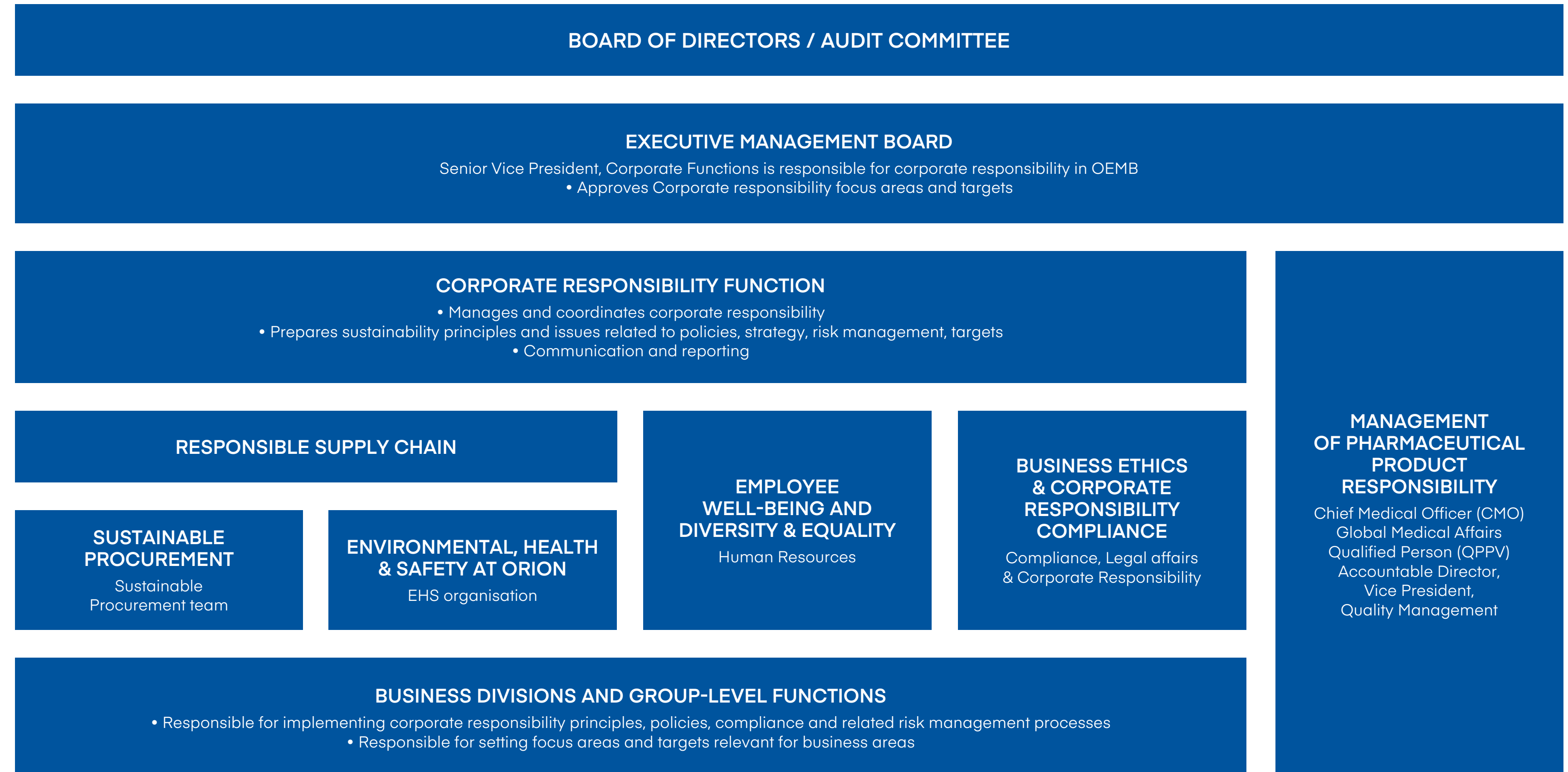
Regarding social impacts, a diverse and inclusive work place, equal treatment and capability development were added to the list of material topics reflecting the need to continue focusing on creating an inclusive workplace to attract talent.

On the corporate governance topics, placing the regulatory compliance on a heading level reflects the developments within the EU in recent years and highlights the rising relevance of compliance overall and in the field of sustainability.

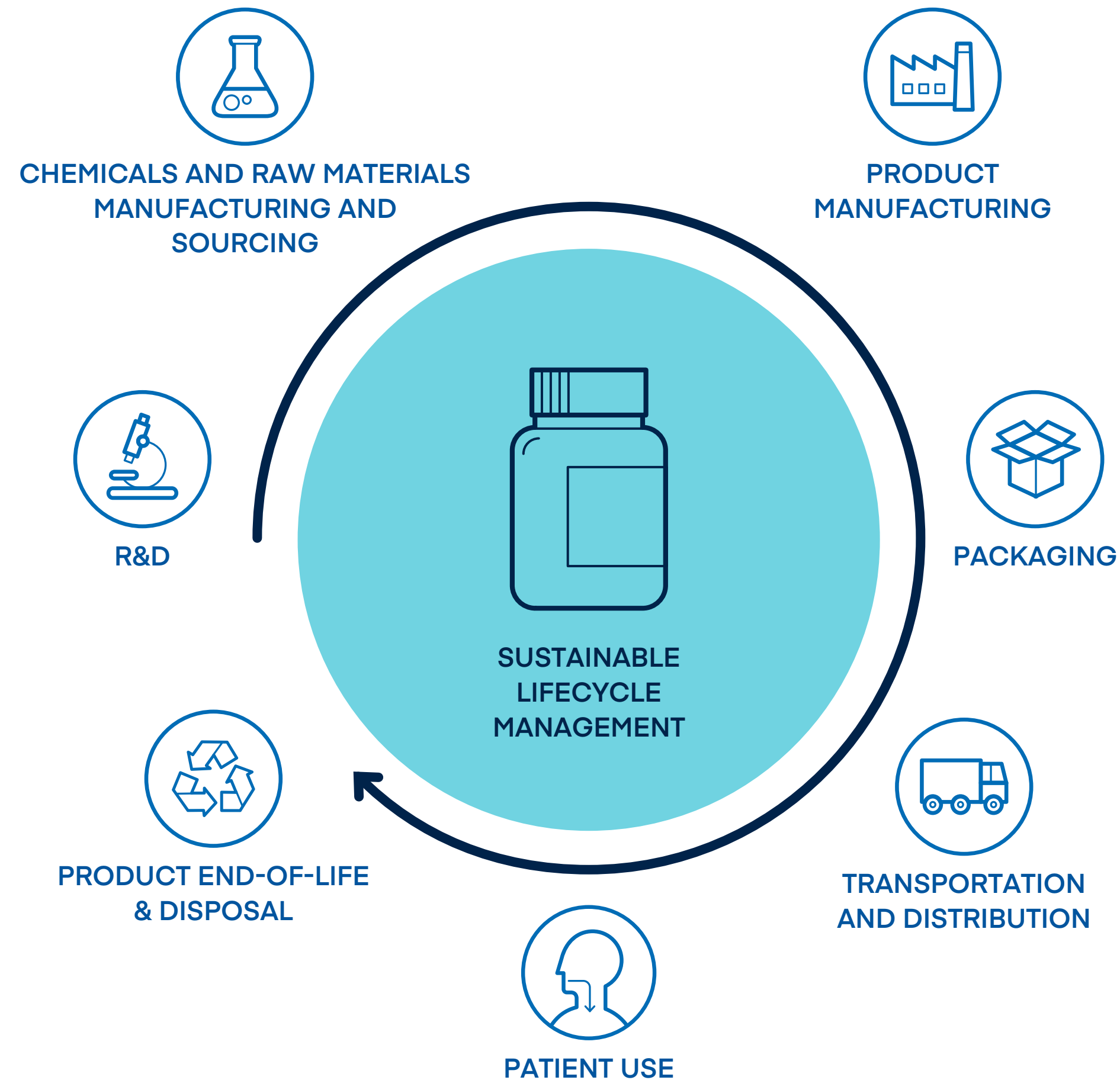
Corporate responsibility governance

Orion’s corporate responsibility governance model provides a solid foundation for managing and developing sustainability throughout the company. The Board of Directors oversees all matters concerning sustainability and approves the statutory reporting. Sustainability is led by the CEO and Orion Executive Management Board, and all Orionees have a role to play in ensuring that sustainability is embedded into the business. Key responsibilities and internal stakeholders are presented in the chart on the right.

The corporate responsibility function, which belongs to the Corporate Functions organisation, is managed and coordinated by the Head of Corporate Responsibility. The Head of Corporate Responsibility reports to the Senior Vice President of Corporate Functions, who is a member of Orion Group’s Executive Management Board and reports to the President and CEO.



Product lifecycle management



Sustainability at Orion means balancing social, economic and environmental factors, and is a principle built into our common values. We consider these aspects over the entire lifecycle of a product, from research and development through to manufacturing, patient use, and product end-of-life disposal.

Research and development

In our research and development activities, our commitment to building well-being means that we develop efficacious and safe medicinal treatments for unmet medical needs, representing innovation and the highest quality standards. We are committed to high ethical standards concerning pharmaceutical research and development.

We conduct environmental, health and safety risk assessments for all new products before manufacturing starts.

Manufacturing and sourcing of chemicals and raw materials

Suppliers are required to comply with Good Practices (GxP) requirements. In addition to this, as we have stated in our Third Party CoC, we expect our suppliers to demonstrate their commitment to sustainable and ethical practices. We only purchase our materials from suppliers whose qualifications we have confirmed. We conduct GxP audits into the operations of our GxP-critical business partners and

suppliers. We always take and analyse samples of raw materials before approving them for production.

We have a global sustainable procurement process, through which we manage and monitor our suppliers' compliance on matters related to ethics, human rights, health and safety, environment, and governance and management systems related to these.

Product manufacturing at our own factories

We have identified the most significant environmental aspects of our company, and we continuously improve our performance in this regard. Among other things, particular emphasis has been placed on continuously improving our wastewater handling and focusing on occupational health and safety at our factories.

Orion aims to achieve carbon neutrality in its own operations (Scope 1 and 2) by 2030. We are committed to aligning our business - including the full value chain - with limiting global warming to 1.5°C. To that end, we are committed to setting science-based emission reduction targets for all our emission Scopes to reach alignment with 1.5°C by 2030. In addition, we are committed to reaching our energy savings target for 2025, which is 17% of energy consumption in 2016.

Our products are manufactured using qualified production equipment in a controlled production environment using validated production and quality control methods, to ensure that each batch fulfils predetermined quality specifications. The data integrity of all manufacturing and quality control activities is reviewed in detail before a batch is released to market. We take immediate action if any deficiency concerning product quality is detected.

Packaging

We are dedicated to continually improving the sustainability of our packaging. This involves considering both environmental factors and product safety in our packaging development. Packaging plays an important role in protecting our products and includes several safety measures such as serialisation and anti-tampering features to improve safety and traceability even further.

In the development of new products, assessing packaging choices from a sustainability perspective is a central part of our process. This means that we thoroughly evaluate each packaging material, ensuring they meet the highest standards. It is important to us that packaging not only protects the product, but also promotes sustainable development and environmental well-being. Thus, sustainable development is an integrated part of all our packaging decisions.

We also educate consumers and other stakeholders about how packaging affects product safety and the environment. Additionally, we are at the forefront of encouraging the correct disposal of packaging waste to reduce the impact on the environment.

Transportation and distribution

In logistics, we use specialist service providers to meet our strict quality and reliability requirements. Our partners have measures in place to reduce their own environmental impact.

Patient use

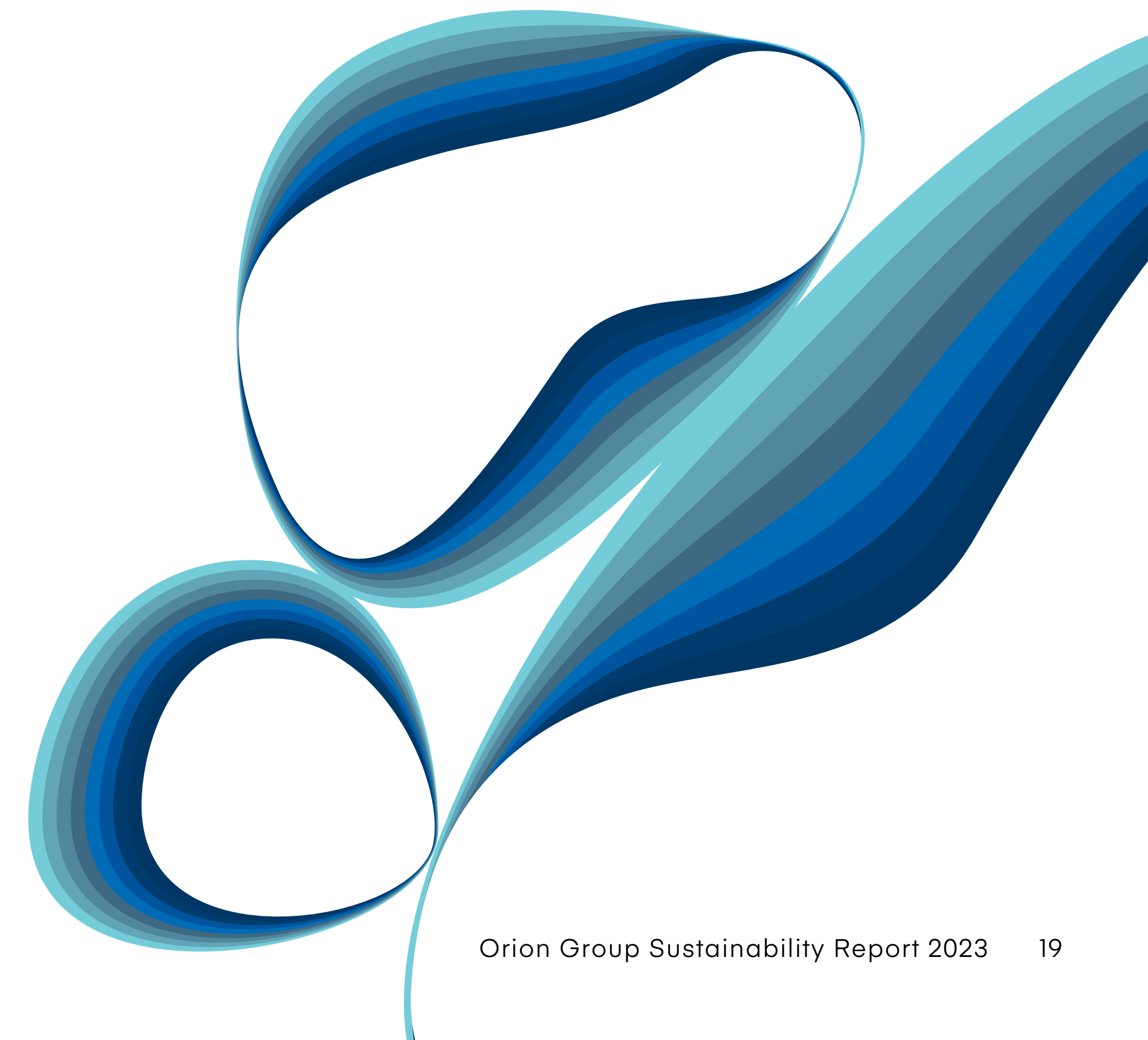
We conduct continuous safety monitoring, collect customer feedback and carry out benefit-risk evaluations throughout the entire lifespan of a product.

We also provide healthcare professionals with information on the appropriate use of our medicinal products.





Product End-of-Life and disposal

We make sure that waste materials from our own operations are appropriately treated. Medicines that are expired or no longer needed should be returned to pharmacies to be disposed of appropriately, and packaging materials should be taken to dedicated collection points for recycling. Guidance on the proper disposal of pharmaceutical waste may be

accessed on our website. For local information, it is advisable to consult the local pharmacy, as medication disposal schemes preventing pharmaceuticals from ending up in the environment may vary from country to country.



ORION'S STAKEHOLDER INTERACTION

STAKEHOLDER GROUP	EXPECTATIONS	ENGAGEMENT CHANNELS	ACTIONS
PATIENTS AND CONSUMERS 	<ul style="list-style-type: none"> • Effective, high-quality and cost-efficient products • Reliable supply • Product information and guidance to appropriate usage • Improved usability • Responsible production and recyclable packaging materials 	<ul style="list-style-type: none"> • Digital information channels and non-digital forms • Product information, adverse events and quality information channels via Orion website • Orion call center • Consumer studies and clinical studies 	<ul style="list-style-type: none"> • Development of new medications • Development of new features and instructions for existing products • Supply chain management to ensure reliable supply and sustainability through the value chain
CUSTOMERS AND PARTNER SALES 	<ul style="list-style-type: none"> • Good and sustainable business relationships • Effective, high-quality, responsibly produced and cost-efficient products • Reliable supply • Sustainable operations through the value chain 	<ul style="list-style-type: none"> • Interactive partner sustainability engagement process • Digital portals to share information • Stakeholder questionnaires 	<ul style="list-style-type: none"> • Meetings, trainings and dialogue to share sustainability and product knowledge • Responding to customer surveys on sustainability topics • Being an active participant in different networks • Ensuring sustainability through the whole value chain
INVESTORS 	<ul style="list-style-type: none"> • Value creation • Strong financial performance, growth and commercial success • Effective and high-quality products • Sustainability compliance 	<ul style="list-style-type: none"> • Investor meetings and events • Investor communications • Financial and sustainability reporting 	<ul style="list-style-type: none"> • Reliable, transparent, comprehensive and timely communications • Development of R&D processes to support growth • Sustainability risk management and compliance
SUPPLY CHAIN PARTNERS 	<ul style="list-style-type: none"> • Good and sustainable business relationships • Financial performance and ability to meet contract obligations • Sustainable operations through the value chain 	<ul style="list-style-type: none"> • Supplier relationship management process: meetings and liaison between supply chain partners and Orion • Interactive partner sustainability engagement process 	<ul style="list-style-type: none"> • Comprehensive supplier management process • Transparent and timely communications • Development of R&D processes to support growth • Sustainability risk management and compliance • Meetings, trainings and dialogue to share sustainability knowledge and agree on common actions • Supporting the development of our partners' sustainability competencies

STAKEHOLDER GROUP

EXPECTATIONS

ENGAGEMENT CHANNELS

ACTIONS

HEALTHCARE PROFESSIONALS



- Effective, high-quality and responsibly produced products
- Reliable supply
- Reliable and up-to-date information about products
- Latest research and development process of medicines and medical treatments

- Collaboration with healthcare professionals via meetings and trainings
- Digital portals to share information

- Offering information about our products, their appropriate use, and the latest research
- Educating healthcare professionals and healthcare students
- Participating in and supporting research projects
- Supply chain management to ensure reliable supply and sustainability through the value chain

PHARMACIES



- Reliable, balanced and understandable information about our products, their use and disposal
- Effective, high-quality and cost-efficient products
- Reliable supply

- Face-to-face meetings and dialogue
- Communication and product information materials
- Digital portals to share information in Finland

- Educating pharmacists, pharmacy staff, and pharmacy students
- Ensuring product availability
- Producing reliable information

AUTHORITIES



- Improving public health
- New innovations through R&D
- Effective, high quality and cost-efficient products
- Reliable supply
- Regulatory compliance

- Dialogue through different boards, associations, working groups
- Direct engagement
- Regulatory activities
- Inspection through authorities
- Transparency registers

- Building relationships with relevant decision-makers and communicating Orion's views, ensuring correct and up-to-date information also to a wider audience, depending on the purpose and demand
- Acting in compliance with regulations
- Ensuring reliable supply of medicines
- Participating in the research ecosystem

PATIENT ORGANISATIONS



- Cost-efficient and high-quality medicines that are available when needed and improve patients' quality of life
- Supporting and co-innovating with patient organisations
- Improving patient compliance and adherence to treatment

- Collecting patient insight and feedback from patient organisations
- Participating in different boards and working groups

- Supporting and collaborating with selected patient organisations to develop innovative and meaningful solutions that improve patients' quality of life
- Offering knowledge and material about our products

EXISTING AND POTENTIAL EMPLOYEES



- Meaningful work opportunities and personal development
- Working for the well-being of the environment, people, and society
- Occupational safety and well-being in work
- Fair and equal treatment

- Collecting employee feedback regularly with Pulse Survey
- Collecting expectations and needs on individual competence and career development in an annual review process
- EHS platform to collect safety observations and improvement suggestions

- Setting targets, development plans and actions based on Pulse Survey results
- Various training opportunities for personal development
- Continuous development of sustainability
- Programme to develop safety culture in Orion
- Actions to support work well-being

Memberships and commitments as on 31 December 2023

Our memberships in international industry associations and advocacy organisations

- CEFIC (European Chemical Industry Council) and its sub-organisation APIC (Active Pharmaceutical Ingredients Committee – Cefic)
- International Chamber of Commerce, Finnish Section
- Pharmaceutical Supply Chain Initiative, PSCI
- AnimalhealthEurope

Since our headquarter is based in Finland, we are also members in local associations and advocacy organisations such as:

- Chemical Industry Federation of Finland/Confederation of Finnish Industries, EK
- FIBS Pro member, sustainability network in Finland
- Finnish Health Technology Association (FiHTA) / The Federation of Finnish Technology Industries
- The Association for Finnish Work
- Excellence Finland

Our commitments to external initiatives

- Pharmaceutical Supply Chain Initiative (PSCI) principles
- Responsible Care programme of the chemical industry
- Finnish Energy Efficiency Agreement for Industries 2017–2025

External recognitions

We have been a member of the globally recognised FTSE4Good Index since 2016. The companies in the index have been independently assessed to meet the FTSE4Good criteria. The FTSE4Good Index Series is designed to measure the performance of companies with strong environmental, social and governance (ESG) practices.

Orion reports to CDP, a not-for-profit charity running the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. In 2023, Orion received ratings C for Climate Change and C for Water Security on a scale of A to D-.

Orion Group was awarded with a silver medal recognition of sustainability achievement and was rated among the top 19% of all companies in the EcoVadis rating in 2023. EcoVadis is one of the world’s leading sustainability ratings, which covers holistic sustainability topics including environmental, labour and human rights, ethics and sustainable procurement impacts.

In addition, Orion was included in the Financial Times ‘Europe’s Diversity leaders’ and ‘Climate leaders’ listings.



CASE

Improving transparency through sustainability communications

We believe that communications stand as a cornerstone in building more sustainable and transparent business. Therefore, we renewed the sustainability section of our corporate website, assembled and trained a dedicated group of Sustainability Ambassadors, and started to prepare for the requirements of the Corporate Sustainability Reporting Directive (CSRD) in 2023.

In 2023, we carried out several initiatives to improve the ways we communicate about our sustainability efforts. By developing our sustainability communications, we want to increase the transparency of our business operations and value chain, ensure that our stakeholders are engaged and aware of our sustainability efforts, and encourage others to take action too.

Renewed sustainability section on Orion's website

In April 2023, the renewed Orion.fi website and its sustainability section were launched. The primary objective of the renewal of the sustainability section was to create a centralised platform that ensures that our stakeholders can access comprehensive and transparent information about our sustainability journey, commitments, targets, policies, and progress.

We believe in transparency. The renewed sustainability section provides information about our approach related to all material sustainability topics and aims to give a comprehensive picture of our sustainability work and impact, both present and future. Visit our renewed sustainability section at www.orion.fi.

A dedicated group of Sustainability Ambassadors

As our stakeholders and customers increasingly recognise the importance of sustainability practices, their demand for comprehensive information regarding our sustainability efforts has grown significantly. In response to this, we assembled a group of dedicated Sustainability Ambassadors, primarily serving in customer-facing roles throughout Orion.

Our Sustainability Ambassadors, drawn from various geographical and business areas within Orion, form a group aimed at fostering connections and exchanging knowledge. This initiative provides a platform for networking and allows Ambassadors to share best practices in sustainability communications.

In 2023, we offered targeted training to support the Sustainability Ambassadors in their roles.

The training focused on enhancing their skills in effective communication and impactful storytelling and deepening their understanding of our sustainability efforts.

In addition, the Sustainability Ambassadors are armed with a toolkit of specially crafted communications materials to help them engage with stakeholders in diverse encounters. These materials are instrumental in ensuring consistent communication across various touchpoints.

Preparation for sustainability reporting regulation

In 2023, we started preparing for the requirements of the Corporate Sustainability Reporting Directive (CSRD). In spring, we conducted a double materiality assessment to ensure that our sustainability work will focus on the most material issues in the future, too. Read more about the process of conducting a double materiality assessment and the assessment results in the [double materiality assessment](#) section of this report.

After the double materiality assessment, we conducted a gap analysis to gain an understanding of the existing gaps regarding the reporting requirements of the CSRD. We have also trained our management and employees about the requirements

of the CSRD. The preparation will continue during 2024 and Orion will report about its sustainability according to the CSRD and the European Sustainability Reporting Standards (ESRS) beginning with the financial year 2024.



Patient safety as a top priority

Patient safety is our guiding value at Orion and a fundamental priority in everything we do. It is integrated into all our processes throughout the value chain because patient safety is something we do not compromise on.

We provide patients with products that are effective, safe to use and of high quality. We ensure patient safety through the rigorous management of our operations, our upstream and downstream supply chain, and by continuously monitoring adverse effects or quality issues over the course of a product's life cycle.

[▶ READ MORE](#)

Patient safety as a top priority 2023

Patient safety has been a priority for us for a hundred years and it continues to be the cornerstone of our daily operations. We play a significant role in ensuring a reliable supply of medications – even in the wake of a crisis.



MEDICINE INFORMATION...28

Adherence to treatment is an important aspect of ensuring the effectiveness of medication. In addition to collaborating with healthcare professionals and patient organisations to encourage and instruct them in the proper use of medications, we are continuously looking into new ways to support adherence to treatment.

[> READ MORE](#)

REGULATORY ENVIRONMENT...27

The EU Clinical Trials Regulation entered into application in January 2022 and all new clinical trials must follow this regulation from 31 January 2023. The regulation harmonises the processes for the assessment and supervision of clinical trials throughout the EU. All the requirements of this regulation have been integrated into Orion's processes and followed in the clinical studies initiated in 2023.

[> READ MORE](#)



RELIABLE SUPPLY...30

Despite a challenging global environment, our supply remained on a good level throughout 2023. We follow the development of the global environment closely and adjust our operations accordingly and promptly, when needed.

[> READ MORE](#)



TARGETS

Orion ensures the **reliable supply of medications**

Orion ensures patient safety, which is the fundamental priority in everything we do

PERFORMANCE

95% pharmaceutical product availability in Finland

5 quality-related product recalls

Quality management

We give the highest priority to safety, quality and sustainability in our everyday work and throughout the entire product life cycle—from R&D through manufacturing to distribution and patient use. The guiding principles of the quality standards of our entire supply chain are based on full compliance with EU-regulated good operating practices in all operations. When marketed outside the EU area our products also fulfil the local requirements.

Compliance with applicable regulations, health, safety and environmental standards, ethical principles and Orion values, is maintained in all operations. This is ensured through the responsible sourcing and procuring of goods and services, as well as regular monitoring, auditing, measuring and analysing of Orion’s operations and those of third parties.

A quality management system provides the framework for establishing and reviewing quality objectives. Our management is committed to complying with the requirements and maintaining effectiveness. Orion’s Quality Policy is communicated and implemented through a comprehensive Standard Operating Procedure system in everyday work.

Patient safety and pharmacovigilance operations

Our duty is to monitor the safety of our products throughout their life cycles, from the early stages of R&D until the product is no longer available on the market. During R&D, the development programs are planned to show the benefits and risks of the products in a reliable and ethical way by following the global guidelines and high scientific principles. Thus, when authorised to market, the product has been comprehensively studied. However, when on the market, usually many more patients begin to use the medication, and new information can be continuously gained and utilised for risk-benefit evaluation. The safety follow-up, both during development and post-development, is undertaken via pharmacovigilance activities. They relate to monitoring the effects of medicinal products to identify, evaluate and prevent previously unidentified adverse reactions and safety concerns. The purpose is to ensure that the benefits of the products outweigh the risks by mitigating potential risks.

Several functions of our company are involved in the pharmacovigilance processes, coordinated by the Global Pharmacovigilance and Patient Safety unit, which is located at our headquarters. Trained and qualified experts are responsible for assessing and managing the benefit-risk balance of our products

globally, considering all territories where they are marketed. Our pharmacovigilance operations and quality management system comply with international regulatory requirements and guidelines.

We prepare a Risk Management Plan (RMP) for all new medicines. It describes what is known and unknown about the medicine’s safety and states what measures will be taken to prevent or minimise its risks. The measures are product-specific and may include additional materials or educational programs for healthcare professionals, patient alert cards and risk-specific additional product information to ensure the safe and correct use of the product. An RMP is maintained throughout the product’s life cycle.

We engage in continuous interaction with the authorities. This interaction is guided by highly detailed legislation, which determines what should be reported and when. In addition to reporting individual cases, we prepare reports for the authorities on events and conclusions over the long term. All the events reported to us are also then reported to a centralised European database where the information is available to all authorities in the European Economic Area (EEA) in real time.

All data concerning the safety of our products is collected into a centralised assessment, and

continuously monitored and reported to regulatory authorities. Information is collected from various sources throughout the product life cycle, such as from clinical trials, spontaneous reports and feedback from healthcare professionals, the literature, regulatory authorities and patients, regarding any adverse effects, medication errors, and interactions or overdoses.

Alongside the regulatory authorities, we evaluate the collated information to detect safety signals that may affect the benefit-risk balance of our products. In addition to continuous signal detection procedures, we periodically review the cumulative data. These Periodic Safety Update Reports are prepared and submitted to the regulatory authorities.

We work closely with authorities to evaluate the safety of our products and the balance between risks and benefits. When necessary, we take action to ensure patient safety, for example by updating the information in the summary of products characteristics and package leaflet, providing information or training to healthcare professionals, adding contraindications, precautions or warnings to the product information, or discontinuing sales. These processes ensure that both prescribing physicians and patients always have up-to-date information on the safe use of our products.

One part of the pharmaceutical quality system is that there is an effective recall process in place. Whenever a product defect is detected or suspected, a proper medical risk assessment is performed to evaluate the necessary measures. The most important driver for the assessment is to ensure the patient's safety. Based on the assessment, a recall may be proposed to authorities who make the final decision on the recall.

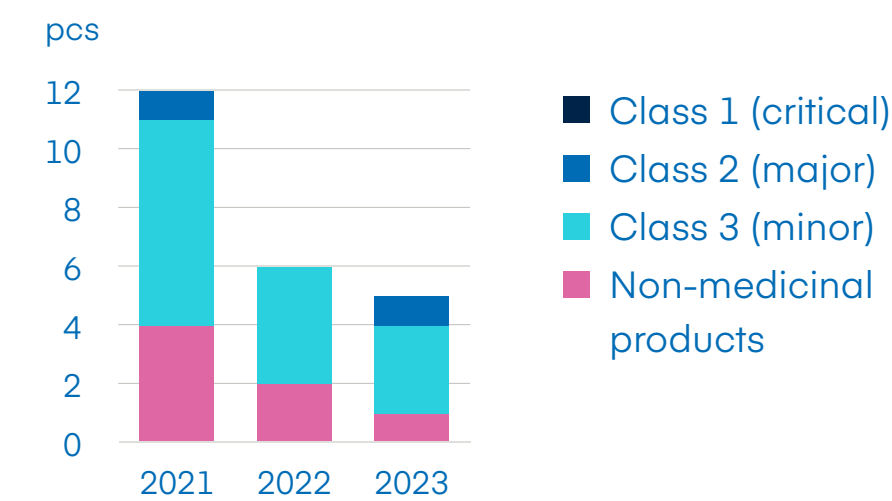
Regulatory environment and continuous improvement

The EU Clinical Trials Regulation (Regulation (EU) 536/2014) entered into application on 31 January 2022. Starting from 31 January 2023, all new clinical trials must follow this regulation. This regulation harmonises the processes for assessment and supervision of clinical trials throughout the EU. Its purpose is to foster innovation and research in the EU, facilitating the conduct of larger clinical trials in multiple EU Member States/EEA countries. Other key benefits of the regulation include improved information-sharing and collective decision-making on clinical trials, increased transparency of information on clinical trials and the ensuring of high standards of safety for all participants in EU clinical trials. All the requirements of this regulation have been integrated into Orion's processes and followed in the clinical studies initiated in 2023.

On 25 August 2023, a revised EU GMP Annex 1 regarding the manufacture of sterile medicinal products came into force. This meant that both Orion's own and contract manufacturing sites in this area were assessed, and the relevant updates were implemented to meet the increased regulatory requirements.

Manufacturers must comply with the EU regulation 2017/745 on medical devices when placing new medical devices on the market. As part of the 2017/745, Economic Operators, i.e. those involved in the importation and distribution of medical devices, are also subject to this regulation. Economic Operators may be Manufacturers, Importers, Distributors, or Authorised Representatives and each has unique requirements. At Orion, the requirements of MDR 2017/745 have been implemented in the Quality Management System. We are constantly audited by a Notified body on our compliance on both MDR 2017/745 and ISO 13485.

Product recalls



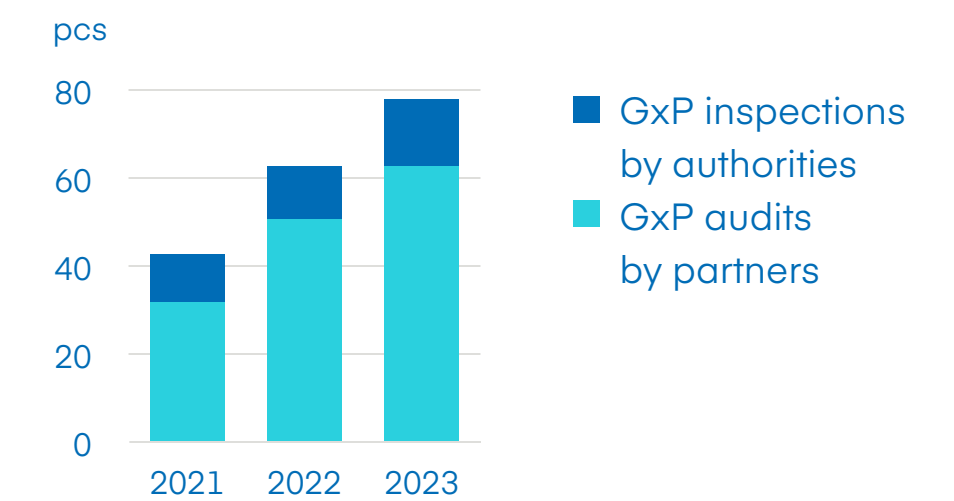
Defects identified in medicinal products are classified as critical, major or minor, depending on the degree of severity.

Class 1 (critical): product defects that are or may be life-threatening or pose a serious health hazard to users.

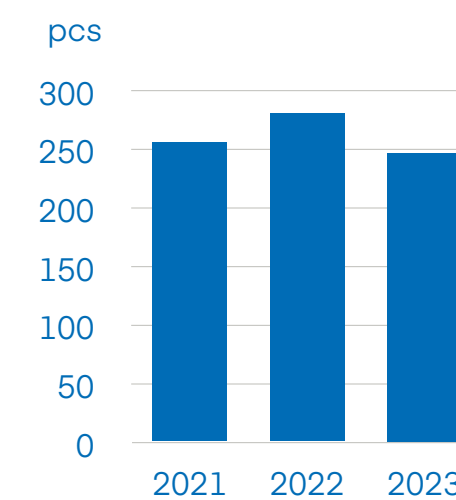
Class 2 (major): product defects which may be harmful to the users or may affect medical treatment, but which are not included in Class 1.

Class 3 (minor): product defects which are not likely to pose a significant health hazard to the users, but where the removal of the defective product from the market is otherwise justified.

GxP audits conducted to Orion



GxP audits conducted by Orion



Information to support patients

Orion seeks to ensure that its products are always used correctly by providing up-to-date information and training to our stakeholders and the channels that enable stakeholders to engage with us. Also, by monitoring and encouraging the reporting of adverse effects, Orion can enhance patient safety. By combatting falsified medicines on the market, we do our own part in ensuring that the medicines available are safe for their users.

Medicine information

At Orion, we enhance patient safety by sharing accurate and up-to-date information on the use, storage and safety of our products via our marketing and corporate communication channels. This is done by adhering to laws and the commonly adopted industry codes.

Pharmaceutical products may only be sold and used under a product-specific marketing authorisation granted by a pharmaceutical regulatory authority. A summary of the product's characteristics determines the facts that are shared with healthcare professionals and included in product-specific package leaflets. The package leaflets provide instructions and information for patients using the medicine. Our regulatory teams work closely with authorities and Orion's experts to ensure that our product information is accurate and up to date.

Besides informing patients about the contents of the product, the main role of pharmaceutical product packaging is to protect the product on its journey from the manufacturer to the patient. Usability is also an important part of our packaging solutions. Examples of improving the usability of packaging are child-proof closures, or closures that help the opening process for elderly and rheumatic patients.

The drug and health authorities maintain national and international drug databases, which contain up-to-date information for every product with a valid marketing authorisation. The information and arguments presented by the manufacturer or the marketer in any communication about the product must always fully conform to the registered product information for a valid marketing authorisation.

Healthcare professionals are an important link in terms of informing patients about the proper use of medicine. It is therefore important that healthcare professionals have the most relevant information about our products. We provide them with training and information related to the use of our products. Orion also provides a helpline and other channels where healthcare professionals and users of the products can contact us should they have questions. In those channels, we provide the appropriate information which is in line with the information approved by the authorities in that particular country. We are continuously developing our digital channels

to ensure that consumers have easy access to up-to-date information about our products.

Adherence to treatment is an important aspect of ensuring the effectiveness of medication. In addition to collaborating with healthcare professionals and patient organisations to encourage and instruct them in the proper use of medications, we are continuously looking into new ways to support adherence to treatment.

Adverse effects

In addition to their intended effects, all medicines have adverse effects – that is, unintended and harmful effects – on some users. Adverse effects range from mild to severe, and information about them is provided in the package leaflet, for example.

In the most serious cases, the use of a medicine can be limited or even prohibited if the risks related to the medicine outweigh its benefits. For patients and professionals, safety data management is an important way to convey information about adverse effects or other aspects. This also improves patient and medication safety and the accuracy of product information.

For healthcare professionals and consumers, the reporting of adverse effects to pharmaceutical companies or the authorities is voluntary. It is carried out by doctors and healthcare and pharmacy staff,

“Our regulatory teams work closely with authorities and Orion’s experts to ensure that our product information is accurate and up to date.”

as well as patients and their families and carers. Orion's employees have an obligation to immediately report if they become aware of any adverse effects related to our products. We encourage consumers and healthcare professionals to report any adverse effects, for example through Orion's digital channels, so that the overall picture of the safety of a medicine is as comprehensive as possible.

Counterfeit medicine

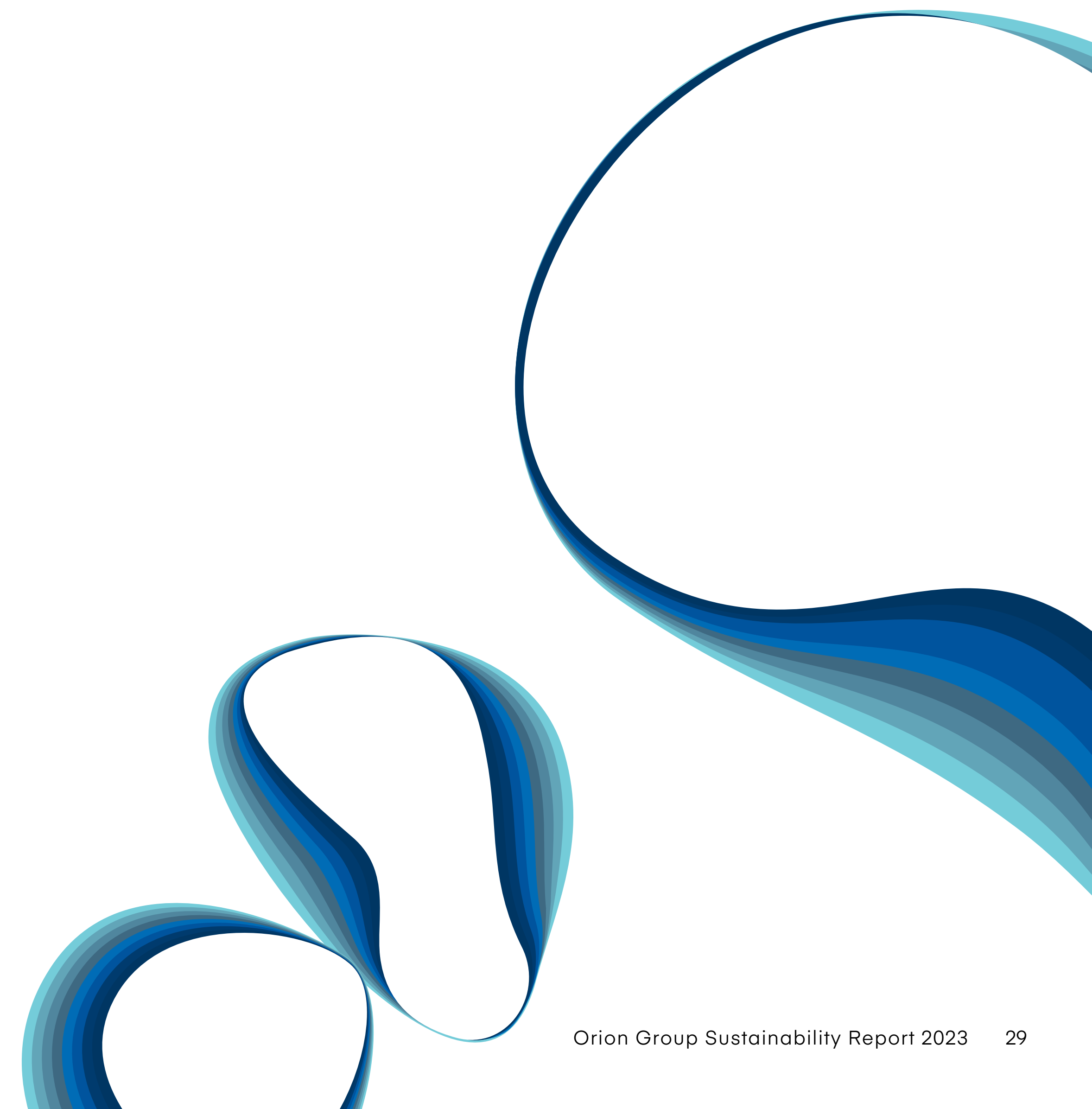
Counterfeit medicines pose a serious challenge globally as they have not been checked for quality, safety or efficacy, and they involve severe health risks that may even prove to be fatal in some cases. Counterfeit medicines are often disguised as authentic but may be contaminated, contain wrong or substandard-quality ingredients or come in the wrong dosage. As a responsible company, it is also in Orion's interest to fight by all applicable means against the increasing availability of fake drugs.

Serialisation helps to mitigate falsified medicine on the market. Serialisation requirements in Europe mean that all individual prescription human medicines must be traceable throughout the value chain. In practice, all pharmaceutical packaging must include a unique identifier so that a sales package can be traced all the way back to the production plant and production line. In addition to including a serial number and a product code, prescription medicine packaging is also sealed so

that the customer can be sure its contents have not been compromised. Serialisation requirements are also in force in countries outside Europe.

Orion combats falsified medicine with a robust trademark portfolio and other protective legal measures. We have protected our main products in countries where counterfeit medicines are known to be widespread. This helps the authorities and people handling medicines to identify authentic Orion products and to legally intervene in the sale of falsified products. We cooperate closely with the authorities around the world to ensure the safety of all medicines.

We also prevent counterfeit medicines by addressing the issue in our communications and by training our internal and external stakeholders on the topic. All our employees are expected to take the initiative and execute rapid action if alerted by any evidence of counterfeit versions of Orion's products.



Reliable supply

One of the key aspects of patient safety is that consumers have access to medicines through pharmacies when they need them. Also, at the local level, the most critical medicines for public health should always be available. In the most serious situations, medicines should be available nearby.

Orion aims for a high service level at all times and a secure supply throughout the value chain, starting with the drug precursor. In the era of globalisation, we must be prepared for exceptional circumstances if pharmaceutical production is interrupted, or materials are not available. A disruption in one part of the global chain may jeopardise the availability of medicines.

Our selection includes products manufactured by other pharmaceutical companies, as well as our own products, for which other companies supply active pharmaceutical ingredients or other ingredients. Because of our extensive product selection, risk management related to security of supply is crucial for us, as any problems in this respect may affect our delivery capability.

Despite the challenging global environment, our supply remained on a good level throughout 2023. The global supply chain challenges and the volatile geopolitical environment caused disruptions in the supply chain and affected the availability and pricing of logistics and raw materials. We follow the

development of the global environment closely and adjust our operations accordingly and promptly, when needed.

We proactively evaluate risks throughout the value chain and build collaborative relationships with our suppliers to ensure that risks to the whole supply chain are minimised beyond tier-1 suppliers. The collaboration with suppliers aims to reduce risks and ensure an expected service level in accordance with targets that have been commonly agreed on with suppliers. Securing alternative suppliers of products and materials is also part of our risk management meant to guarantee an uninterrupted supply of medicines. We also minimise the risk of capacity shortage in the distribution of medications by ensuring the availability of alternative means of distribution.

As we see an increased risk with the availability and consistent supply of selected raw materials, Orion is looking into alternative materials and suppliers of all our secondary packaging materials. Overall performance and sustainability aspects are considered when selecting alternative materials. Lead times and availability are secured with the efforts to identify and supply alternative secondary packaging materials.

We engage in continuous interaction with the authorities in different countries to ensure that

they have accurate information about stock levels, capacity and future needs for changes in production. We also produce some medicines with lower sales and profitability that are critical for patients but do not attract other companies because of their small markets.

Orion is an important part of the healthcare chain in Finland and has an important role in Finland's security of supply. We are the only Finnish producer of commercial APIs, a major producer of medicines with the largest portfolio in the country, and the sole producer of several medicines. Through our own production and mandatory reserves, we seek to ensure the availability of critical medicines for Finnish households in all circumstances. In 2023, the pharmaceutical product availability in Finland was 95% (97%). The challenging global environment explains the slight decrease in the pharmaceutical product availability in Finland.

“In 2023, the pharmaceutical product availability in Finland was 95%.”

MANAGEMENT OF PATIENT SAFETY

MANAGEMENT APPROACH	Patient safety is our guiding value and fundamental priority. Integrated into all functions and processes throughout the value chain.	
MATERIAL DISCLOSURE TOPICS	<p>UPDATED DOUBLE MATERIAL TOPICS FOR ORION (2023)</p> <ul style="list-style-type: none"> • Products that are effective, high-quality and safe to use • Safety of patients, consumers and animals • Responsible research & development of new medicines and treatments • Providing accurate product information and supporting correct use of medicines • Ensuring product availability and accessibility in primary markets 	<p>Material Orion topics:</p> <ul style="list-style-type: none"> • Pharmaceutical product availability in Finland • Audits by third parties • Audits by Orion • Product recalls
POLICIES AND COMMITMENTS	Relevant legislation and regulatory authorities' instructions. Guidelines and principles determined in our Pharmaceutical R&D Ethics Policy and internal guidelines (conform to the WMA Declaration of Helsinki and internationally adopted codes of our industry).	
GOALS AND TARGETS	To ensure patient safety, favourable benefit/risk ratio and the reliable supply of products.	
RESPONSIBILITIES AND RESOURCES	<ul style="list-style-type: none"> • Chief Medical Officer: carries the primary responsibility for the Company's medical governance and medical ethics. • Global Medical Affairs, in collaboration with the Business Divisions: responsible for our compliance with the legal requirements concerning the marketing of pharmaceuticals in all countries where we are present. • Qualified Person responsible for pharmacovigilance (QPPV) (in Orion Director, Global Pharmacovigilance and Patient Safety): responsible for the establishment and the maintenance of the pharmacovigilance system of the marketing authorisation holder. • The Accountable Director (in Orion Vice President, Quality Management): primarily responsible for our medicinal products being manufactured the correct way and that the quality requirements are being met. Qualified Persons in Quality Assurance organisation: responsible that each batch released for sale, distribution or clinical studies comply with the requirements of the marketing or clinical trial authorisation and quality specifications. • The Accountable Director at Fermion: primarily responsible for active pharmaceutical ingredients being manufactured the correct way and that the quality requirements are being met. Active pharmaceutical ingredient batches released for sale by independent Quality Assurance departments at each of Fermion's production sites. 	
GRIEVANCE MECHANISMS	Monitoring of the safety of products, feedback collected from customers, benefit-risk assessments carried out throughout the product life cycle. Adverse events, quality complaints or other product related safety problems reported through Orion's global pharmacovigilance and quality operations at HQ, locally through subsidiaries and wholesalers and through licensing partners globally. All employees obliged to inform the Global Drug Safety function about any adverse events they have become aware of.	
EVALUATION OF MANAGEMENT APPROACH	<p>The health authorities monitor and assess our R&D, supply chain and pharmacovigilance operations. Our operations frequently inspected in the countries our products are used.</p> <ul style="list-style-type: none"> • Our customers and partners audit us • We audit our subcontractors and suppliers • Internal inspections • Management reviews as an integral part of our quality system 	



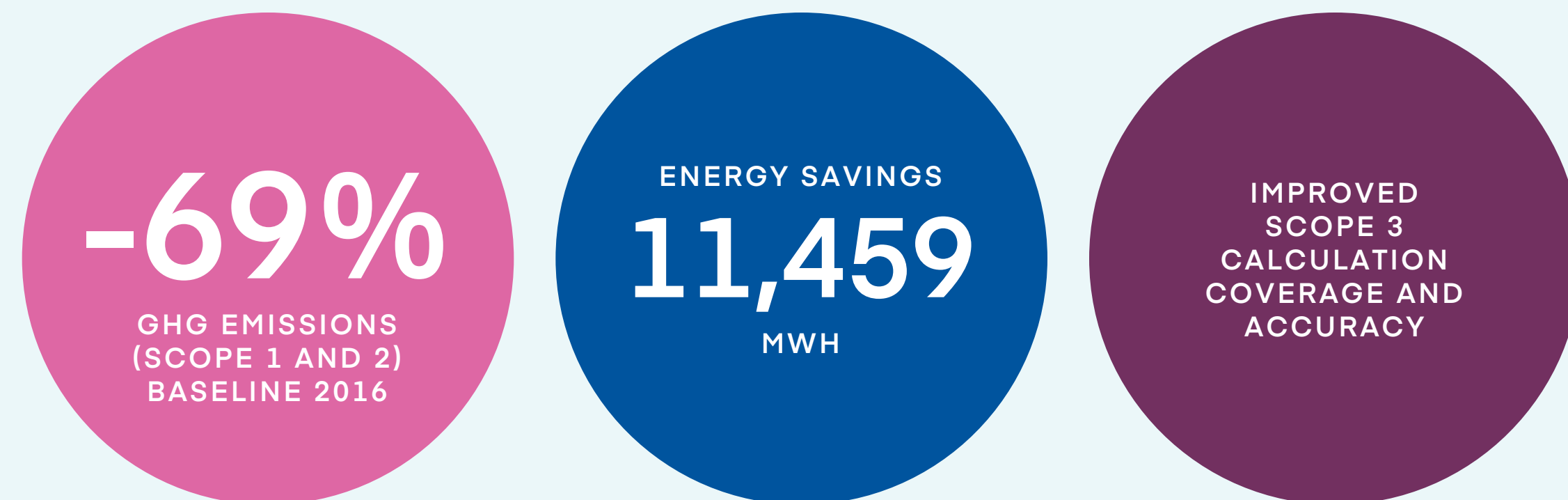
Active work for a better environment

At Orion, we want to take an active part in tackling the biggest challenges of our time: climate change and biodiversity loss. We apply life cycle thinking to gain understanding of our products' impact throughout our value chain and to guide all our environmental sustainability actions. We focus on the efficient use of materials and energy, the mitigation and management of adverse environmental impacts, both in our own operations and with our suppliers and partners, and we strive to limit the amount of pharmaceuticals in the environment. We want to continuously increase our knowledge and develop our actions throughout our value chain.

[▶ READ MORE](#)

Active work for a better environment 2023

We aim to be one of the top ones in environmental matters within our industry. We are continuously raising the bar in environmental and climate responsibility and are challenging other operators to cooperate.



LIFE CYCLE THINKING AND ASSESSMENT...43

In our commitment to transparency and continuous improvement, we conducted a life cycle assessment (LCA) for our basic ointment category. This comprehensive analysis provides us with critical insights into the environmental impact of these products, from production to disposal.

[▶ READ MORE](#)

ENERGY EFFICIENCY...34

The Espoo heat pump plant became fully operational at the end of 2023. The heat pump plant produces CO₂-free energy for the Espoo site by utilising waste heat from the Espoo factory processes and energy obtained from outdoor air. The heat pump plant will produce half of the heat needed at the Espoo site.

[▶ READ MORE](#)



WATER RISK ASSESSMENT...47

During 2023, we conducted a water risk assessment of all our production sites. As expected, and in line with our previous understanding, the production plants in Finland are not located in high water risk areas. Our facilities in Belgium and France, compared to their Finnish counterparts, do lie in a slightly more stressed area.

[▶ READ MORE](#)

TARGETS

Improving energy efficiency by 15% (24,500 MWh) by 2025 (baseline 2016)

Carbon neutrality of our own operations (Scope 1 and 2) by 2030

Reduction of share of hazardous waste per total waste

PERFORMANCE

Target achieved in 2023

GHG emissions (Scope 1 and 2) **-69% compared with 2016 baseline**

Hazardous waste per **total waste 80%**

Climate change mitigation

Climate change is one of the biggest challenges of our time and Orion wants to take an active part in mitigating it. Orion has worked for years to reduce its carbon footprint through the strict adherence to systematic goals and plans. Orion has an ambitious target of achieving carbon neutrality in its own operations (Scope 1 and 2) by 2030. We are making steady progress towards achieving this target. We have also committed to align our business – including our full value chain – with limiting global warming to 1.5°C. To that end, Orion has committed to setting science-based emission reduction targets for all its emission Scopes to reach alignment with 1.5°C by 2030. We expect the approval of science-based climate targets to take place in 2024.

Our intermediate target, a reduction of our own greenhouse gas (GHG) emissions by 75% by 2025 compared to our 2016 baseline is progressing well. By the end of 2023 Orion has reduced the greenhouse gas emissions in its own operations (Scopes 1–2) by 69% compared with 2016.

Orion is working towards carbon neutrality in its own operations

To reach our carbon neutrality 2030 target, Orion is tackling the GHG emissions in its own operations through energy efficiency measures, utilising renewable energy sources, and by moving towards implementing green electricity solutions in the future. A large part of our planned emission reduction

measures is focused on increasing the portion of carbon neutral energy in our Scope 2 partnerships. Our emission reductions call for future investments that will deliver changes in steam production for example, especially concerning the electrification of the process.

To maintain systematic progress towards our 2030 carbon neutrality goal, we have ensured that our electricity is purchased from carbon-free sources.

In 2023, approximately 25% of our purchased energy (electricity, district heat and steam) came from renewable sources and a total of 77% purchased energy came from carbon-free sources. For years, Orion’s diesel-powered cars and factory machinery, forklifts, tractors, and reachers, have been refuelling with renewable diesel, the carbon footprint of which is approximately 90% smaller than that of fossil-derived diesel.

Energy efficiency is at the centre of our climate work

Orion’s target is to improve energy efficiency by 15% of the energy consumption in 2016 by the end of 2025. Orion reached this target in 2023. In addition, Orion is committed to the joint Energy Efficiency Programme for the members of the Confederation of Finnish Industries (EK) for the years 2017–2025. The Energy Efficiency Programme target to improve energy efficiency by 7.5% was reached in 2021.

Having reached these targets, Orion decided to set a target of 17% improvement in the Company’s energy efficiency by the end of 2025.

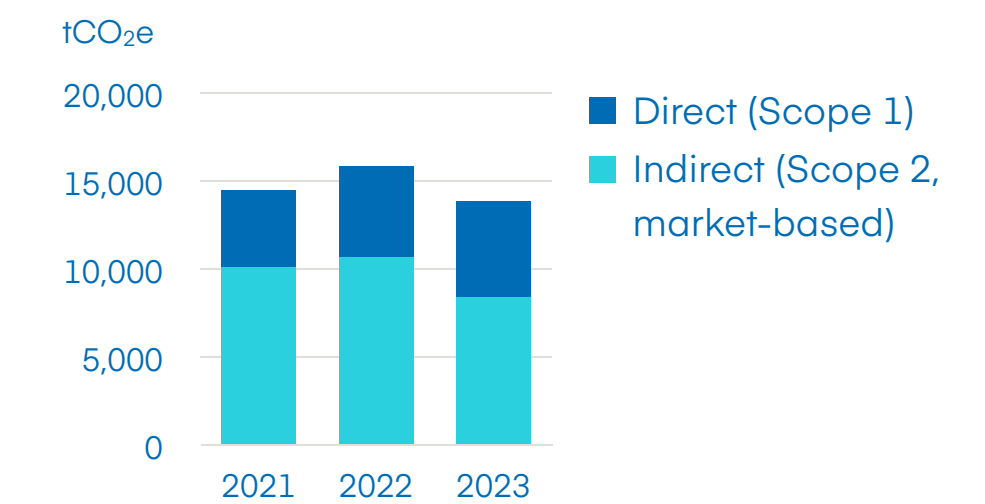
We continue to systematically implement energy efficiency projects meant to reduce our use of purchased energy and GHG emissions. We intend to apply the best solutions from across the Group and to find new innovative methods to further improve energy efficiency.

In 2023, there were several successfully implemented projects to improve energy efficiency and reduce emissions which led to 11,459 MWh energy savings.

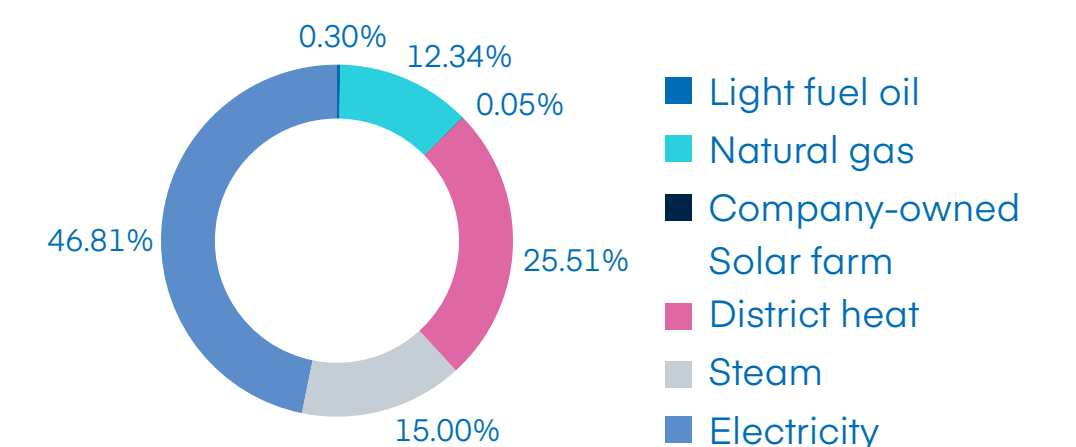
The Espoo heat pump plant became fully operational at the end of 2023. The heat pump plant produces CO₂-free energy for the Espoo site by utilising waste heat from the Espoo factory processes and energy obtained from outdoor air. The heat pump plant will produce half of the heat needed at the Espoo site. The calculated annual energy saving is about 11 GWh.

A solar power plant owned, maintained, and operated by our energy partner, started operating in early 2023 in the Hanko production facility’s area. The estimated annual yield of the solar power plant is approximately 1,000 MWh. All the electricity produced with the plant will be used in Orion's operations.

Greenhouse gas (GHG) emissions



Energy consumption, %



In 2023, the Company achieved energy savings also by investing in LED lighting in Espoo and Salo, among other things.

Orion is aiming to limit its emissions in alignment with 1.5°C warming throughout its value chain

According to a life cycle assesment (LCA) conducted in 2019 on Orion’s dry powder inhaler, a large part of our total emissions stem from our value chain outside of the company’s own operations. In 2023, a LCA for Orion’s dry powder inhaler was reconducted and the results are still in line with this notion. In addition, we conducted a LCA for Orion’s basic ointments in 2023 to further understand where we can best minimise our environmental footprint.

In 2023, Orion continued work to improve our emissions accounting. We took a deeper dive into our baseline calculations, and overall, we upgraded and refined the data quality and calculation methods. These were in preparation for our upcoming climate target setting to ensure that our emissions information is in the best shape. Orion is currently committed to set a science-based targets and we aim to proceed further during 2024.

During 2023, our Scope 3 emissions increased. This is explained by an increase in number of emission factors and our new emissions calculation boundary. The value chain emissions of VMD units, acquired in 2022, are now included in the Group's Scope 3 emissions. See the [Key Figures section](#) of the report for a full breakdown of our Scope 3 emissions.

During 2023 more charging points were installed for electric vehicles in Orion's sites in Finland. There are now 117 charging points for our employees’ own electric vehicles. In addition, we continued to reduce emissions in our own fleet. Electric-, hybrid- and biogas vehicles were purchased to replace vehicles powered by conventional fuels.

“The heat pump plant will produce half of the heat needed at the Espoo site. The calculated annual energy saving is about 11 GWh.”

CARBON FOOTPRINT OF ORION'S VALUE CHAIN (SCOPE 3)



CASE

Carbon footprint assessment of Orion's Easyhaler® dry powder inhalers

Sustainability is a growing trend in asthma and COPD (chronic obstructive pulmonary disease) patient care. In 2023, Orion reconducted an environmental footprint assessment for the whole Easyhaler® product range. The average carbon footprint of Easyhaler® has decreased 11% between the 2019 and 2023 assessments.

In Europe, 30 million people with asthma need to use different medications to control asthma symptoms like shortness of breath and to minimize future risk of asthma-related events. Most medications are taken via inhalers, devices delivering either powder or an aerosol formulation of drugs into the lungs. Developing and manufacturing these inhalers obviously have an environmental impact. We conduct life cycle assessments (LCAs) to understand and address the environmental impact of our products by analysing life cycle stages, from raw materials to disposal. A LCA offers insights to continuously guide us in making reduction efforts effectively.

Concerns about the climate are increasing among patients and healthcare professionals, and there is a growing interest in utilising propellant-free inhaler devices such as dry-powder inhalers over pressurised metered-dose inhalers (pMDI) to reduce the climate impact of inhaler therapy. The carbon footprint of

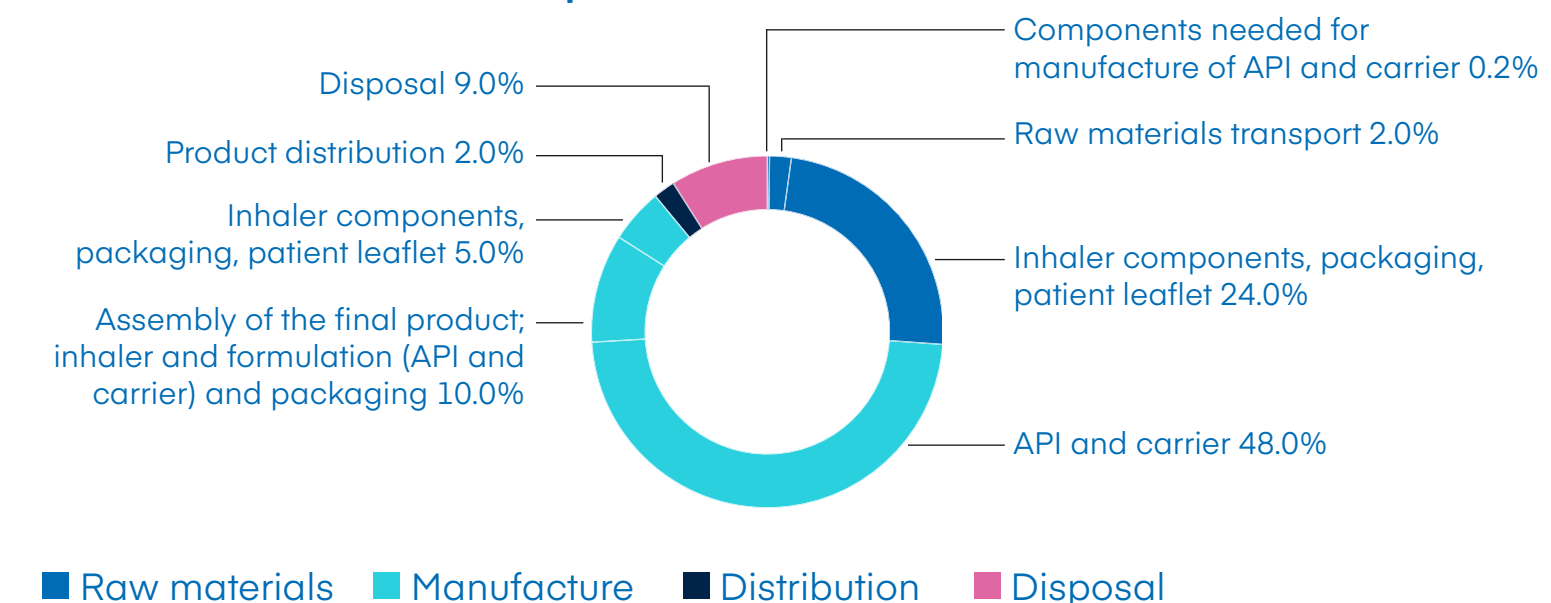
a dry-powder inhaler is significantly lower than that of a hydrofluorocarbon (HFC) propellants based pMDI. Environmental impact is one aspect to be considered when choosing an optimal inhaler for each patient. Favoring the use of low carbon footprint inhalers has a potential to reduce inhaler related greenhouse gas emission in asthma and COPD treatment.

In 2023, Orion reconducted a LCA for the whole Easyhaler® product range to improve the understanding of climate and environmental impacts of its dry powder inhalers over time. The previous LCA for all six Easyhaler® products was conducted in 2021 and the initial LCA for four Easyhaler® products was conducted in 2019. All assessments were performed in accordance with ISO 14040 and ISO 14044 and conducted by an independent third party consultant (Carbon Footprint Ltd). The same third party was responsible for inventory analysis, LCA modelling, impact assessment and interpretation in all previous assessments to ensure consistency over time.

The average carbon footprint has decreased over time

According to the newest assessment, the average carbon footprint of one Easyhaler® inhaler is 547g CO₂e. In addition, the assessment was conducted for Easyhaler® protective cover which had a carbon footprint of 66g CO₂e.

Product environmental impact



The average carbon emission breakdown of all six Easyhaler® products. Based on a carbon footprint and a cradle-to-grave life cycle assessment conducted for six different Easyhaler® products.

The LCA covered the embodied greenhouse gas emissions of raw materials and their transportation, and the manufacture, processing, distribution and disposal of each Easyhaler® product. Various environmental indicators, such as fossil depletion, human toxicity, marine and freshwater eutrophication, water depletion, ozone depletion, and land use, were assessed alongside the carbon footprint to ensure a holistic understanding of the environmental impact. The assessment indicated that no burden shifting has occurred across impact categories.

The average carbon footprint of Easyhaler® products decreased 11% between the 2019 and 2023 assessments, and 6% between the 2021 and 2023 assessments. The life cycle stages where the largest carbon footprint reductions occurred between the years 2019 and 2023, were the manufacture of inhaler

components, assembly of the final product, and raw materials for inhaler components. The carbon savings from the 2021 assessment were mostly due to reduced embodied, waste, and manufacturing factors. These have all declined since the previous assessment. The same applies to the manufacturing based on kWhs used, as the emissions per kWh have declined due to the decarbonisation of the energy grids.

The work continues

Orion continues active and constant development work to decrease its climate impacts and to reduce emissions from each step of the product lifecycle. This requires systematic improvement in our own operations and cooperation with our partners to reduce emissions throughout the value chain.

[More information about the LCA OF the Easyhaler® product range on the corporate website.](#)

Pharmaceuticals in the environment

Pharmaceuticals end up in the environment in various ways: effluents from manufacturing facilities, medicines consumed by patients and then excreted, or the improper disposal of unused and expired medicines. Limiting the amount of pharmaceuticals in the environment is one of the main focus areas of our environmental work. We want to continuously increase our knowledge and develop our actions in this area throughout our value chain.

We evaluate the effects of our products' life cycle from R&D and manufacturing to distribution for use and proper waste management. Starting with the product development stage, we make an environmental risk assessment of all new proprietary products, as required for market access. The environmental risk assessment identifies any risks that the substances in the products may cause when they are released into nature and ways to prevent these risks in our operations. We constantly evaluate the environmental impact of our production; when manufacturing active pharmaceutical ingredients, green chemistry is the goal.

Reducing the environmental impact of the production of pharmaceuticals and controlling risks at factories is essential. We have succeeded in significantly reducing our pharmaceutical residues from production following the development of our wastewater management system a few years ago. This process is based on a separate drainage

system, where wastewater containing compounds unsuitable for a biological treatment plant or posing a risk of environmental impact, is separated from the rest of the wastewater. The high-risk wastewater is directed to special tanks and treated appropriately. The excess water is then evaporated, and the hazardous waste residues are incinerated responsibly.

Minimising pharmaceutical residues in the environment throughout the lifecycle

Being responsible does not only mean always improving our operational processes on site but also being committed to rigorously managing the sustainability of our global supply chain. We have set strict requirements ensuring that materials are only purchased from responsible suppliers. Pharmaceutical residues in the environment are a criterion considered in the procurement process. We do this via self-assessment questionnaires, risk-based sustainability audits, and corrective actions that suppliers agree to and that will be followed up on and verified at a later date. We also require that suppliers quantitatively assess their active pharmaceutical ingredient (API) releases in effluents or otherwise ensure that they do not cause harmful effects to the environment (e.g., by implementing zero liquid discharge). Further information on our responsible supply chain management is available in

the [Environmental impact management](#) section and [External supply chain](#) section of this report.

Most pharmaceutical residues in the environment are the result of the use of medicines. The residues end up in the environment as excretion and via wastewater from showers. The issue is complex: medicines are an integral part of human and animal well-being, but they clearly impact the environment. Our main focus is to provide patients with effective and safe medicines, and medicines only help patients if taken by prescription.

Proper use of medicine

Guidance on the proper use of medicines is an important part of environmental responsibility in the pharmaceutical industry as it entails reducing the misuse of medicine. Our sales professionals and other personnel advise healthcare professionals to ensure products are used correctly. They also advise healthcare professionals to prescribe new medicines using smaller packages to minimise leftover medicines which would otherwise end up as pharmaceutical waste. Orion uses its influence to reduce pharmaceutical waste by increasing awareness on and encouraging the responsible use of medicines.

Package size and product shelf life is considered to reduce the amount of unused or expired medicines. The packaging protects the product and prevents

the drug from being released into the environment. It also contains important information about the drug, including instructions on how to use, store and dispose of it. Our goal is to continuously improve the sustainability performance of our product packaging. Read more about our sustainable packaging development and sustainable packaging strategy in the [Promoting circular economy while ensuring patient safety](#) section of this report.

Disposal of pharmaceutical waste matters

Expired or unwanted products should be returned to the pharmacy to be disposed of properly. Improper disposal can lead to an adverse environmental impact. To minimise the environmental impact at this stage of the product life cycle, we cooperate with pharmacies and other healthcare professionals. We aim to continuously increase awareness among consumers and healthcare professionals on the appropriate ways to recycle and dispose of packages and proper disposal of medicines.

Medication disposal schemes used to prevent pharmaceuticals from ending up in the environment may vary from country to country. To ensure the safe, effective and compliant return of our products in the U.S., Orion is a member of the Pharmaceutical Product Stewardship Work Group and is participating in several Medication Education and Disposal (MED) projects in different states. MED-projects develop,

implement and operate take-back programs for unwanted household medicines and provide public education on proper usage, storage and disposal of medicines.

Acts against antimicrobial resistance

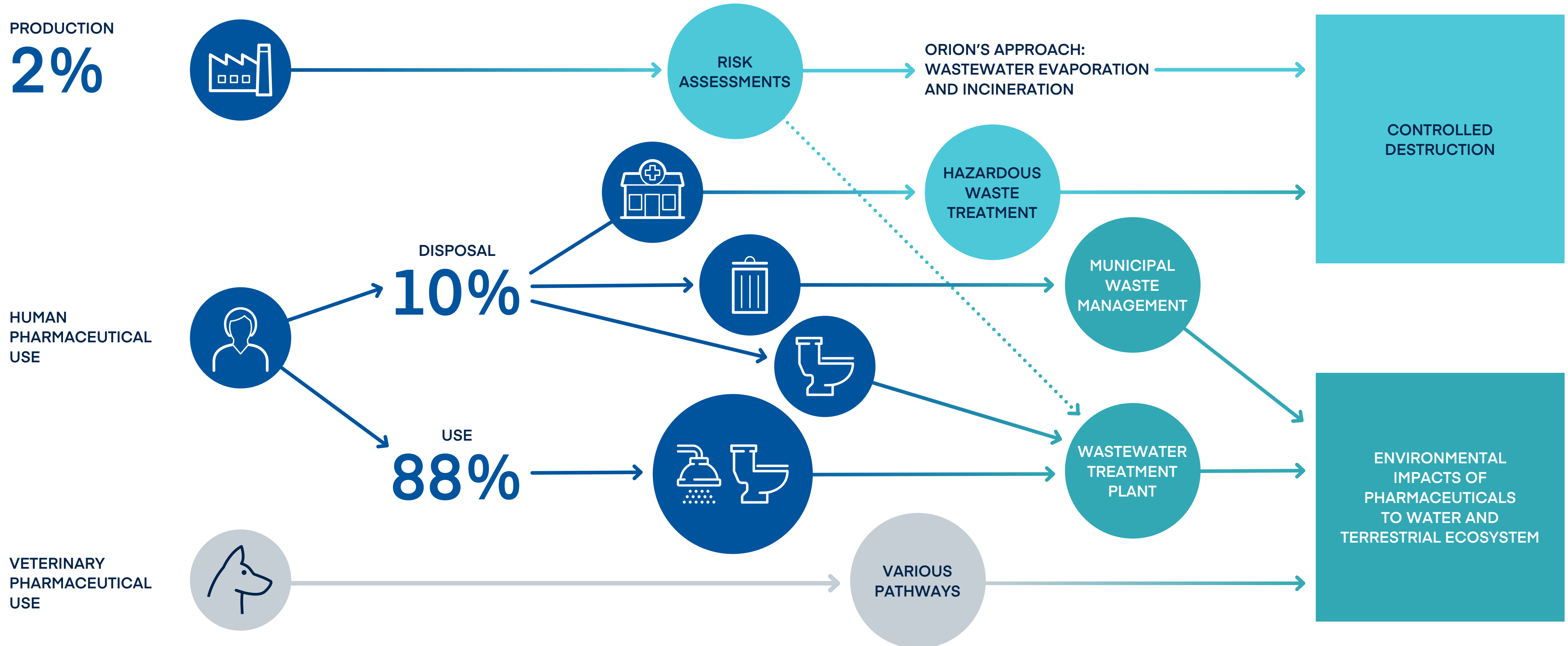
Veterinary use is also another source of pharmaceuticals entering the environment. Antibiotics are life-saving medicines and the cornerstone of managing bacterial infections but remain widely overused and misused in both people and animals. The inappropriate use of antibiotics leads to antimicrobial resistance (AMR). As a result, antibiotics can become ineffective, and it has become increasingly difficult to cure previously treatable infections. The World Health Organisation (WHO) characterises AMR as one of the world's biggest threats to public health. Our work to reduce drug residues in the environment applies to antibiotics as well. We understand routes to influence and manage risks as well as the impact on operations. It is important to also work on the optimal use of antibiotics, where illness prevention is optimised. As not all illness can be prevented, these medicines therefore remain necessary. We raise awareness, for example, through the European Platform for the Responsible Use of Medicines in Animals (EPRUMA). We cooperate with several stakeholders to contribute to appropriate use, i.e., by promoting the correct use and correct dosage. In addition, we explore avenues to find out new

possibilities that will help to reduce the need for antibiotics. In this context, a useful product to fight antimicrobial resistance in Orion's portfolio is Broilact® for poultry.

We continuously collaborate with stakeholders to share knowledge, learn from others and develop solutions. A great example of this kind of collaboration is the Sustainable Drug Discovery and Development with End-of-Life Yield (SUDDEN) project, where Orion has participated. SUDDEN is a multidisciplinary research consortium dedicated to reducing the environmental impact of pharmaceuticals and supporting sustainable growth in the pharmaceutical industry which took place from 2018 to 2023. From 2024 on the collaboration and dialogue between project participants including Orion will continue through SUDDEN Forum.

“We have succeeded in significantly reducing our pharmaceutical residues from production following the development of our wastewater management system a few years ago.”

PHARMACEUTICALS IN THE ENVIRONMENT



Protection of biodiversity and ecosystems

Biodiversity refers to the variety of different life forms, of animals, plants and micro-organisms constituting the natural world around us. The loss of biodiversity is, alongside climate change, a global challenge affecting us all and a challenge that needs to be tackled with urgency. Orion is committed to working towards no biodiversity loss caused by our business or our value chain. We want to be part of this critical journey even though we do not have all the answers yet.

While much of the impact of the pharmaceutical industry on biodiversity remains as yet unclear, we are actively looking for ways to understand and reduce the environmental pressures in our own operations and in our value chain. Building an understanding is an essential element in identifying and prioritising the actions to take in addressing our impacts on biodiversity. During 2023, we continued to identify our biodiversity impacts beyond our own operations. A need for further competence-building and stakeholder cooperation has arisen from our assessment. A great example of cooperation has been our participation in the biodiversity working group of The Chemical Industry Federation of Finland. Orion also endorses the Chemical Industry Federation’s Nature Positive Chemical Industry 2045 commitment which also steers the group’s work.

Our biodiversity work will continue in 2024. We will proceed to build a further understanding on the extent of our impact on biodiversity. As biodiversity loss is often location-specific and highly dependent on the point of occurrence in the value chain, a new approach to assessing the environmental impact and cooperating in its reduction is needed. In addition, the pharmaceutical industry is dependent on the raw materials provided by nature. Therefore, we find it vital to look beyond our impacts, and chart our risks too to understand even better where we stand.

Pharmaceuticals in the environment are a growing problem and are tightly linked to biodiversity loss. Medical residues may affect living organisms negatively when they get into nature. We are continuously working to minimise the amount of pharmaceutical residues that end up in the environment during the life cycle of a medicine. In addition, we are utilising and developing our green chemistry practices. These both play important roles in tackling biodiversity loss.

[Read more about pharmaceuticals in the environment.](#)

“Orion is committed to working towards no biodiversity loss caused by our business or our value chain.”

Promoting circular economy while ensuring patient safety

We follow strict quality requirements while manufacturing pharmaceuticals to ensure patient safety. Since existing cleaning technologies in many cases cannot yet remove impurities in recycled material flows sufficiently rigorously, we are often limited to using virgin materials in the production of pharmaceuticals and packages. Similarly, reusing pharmaceutical materials in production processes is not possible.

However, we believe that a lot can be achieved within these limitations. It is important that we utilise materials as efficiently as possible, and that we prevent material and energy losses. We continuously seek ways to succeed in this, for example by optimising production processes.

Materials efficiency is at the core of our operations

We map the flow of materials throughout our production to identify opportunities for improvements. In addition, material efficiency indexes are used to compare processes and their efficiencies with each other. We also work closely with our partners to identify opportunities to reuse or recycle our materials. Active pharmaceutical ingredient manufacturing in Fermion accounts for most of our material usage. Of the materials used, solvents represent the largest volume. Some solvents utilised in Fermion's processes can be reused in our operations after being regenerated

by a distillation process. Regenerated solvents can be reused in steam generation and in certain production processes. Reusing solvents contributes to material efficiency and thus helps us reduce the environmental impact of our operations. In 2023, Fermion was able to recycle 2,113 (2,174) tonnes of used solvents and reuse them in production, accounting for 41% of the Group's total production solvent consumption and 18% of total material usage.

Sustainable packaging takes into account the principles of circularity

The two main purposes of packaging are to protect products from the point of manufacture to the pharmacy or end user, and to provide product information. The aim of sustainable packaging is to deliver a lower environmental impact while ensuring the same functions, balancing various environmental criteria with other functional and commercial considerations. Product life extension is one of the key concepts of circular economy; for Orion, optimising product shelf life is of particular importance to ensure that all the resources needed in manufacturing, packaging and transportation are not wasted. Sustainability aspects are considered in the packaging development; we optimise performance, costs, raw materials and energy use by harmonising carton sizes and reducing the space used for transport and warehousing.

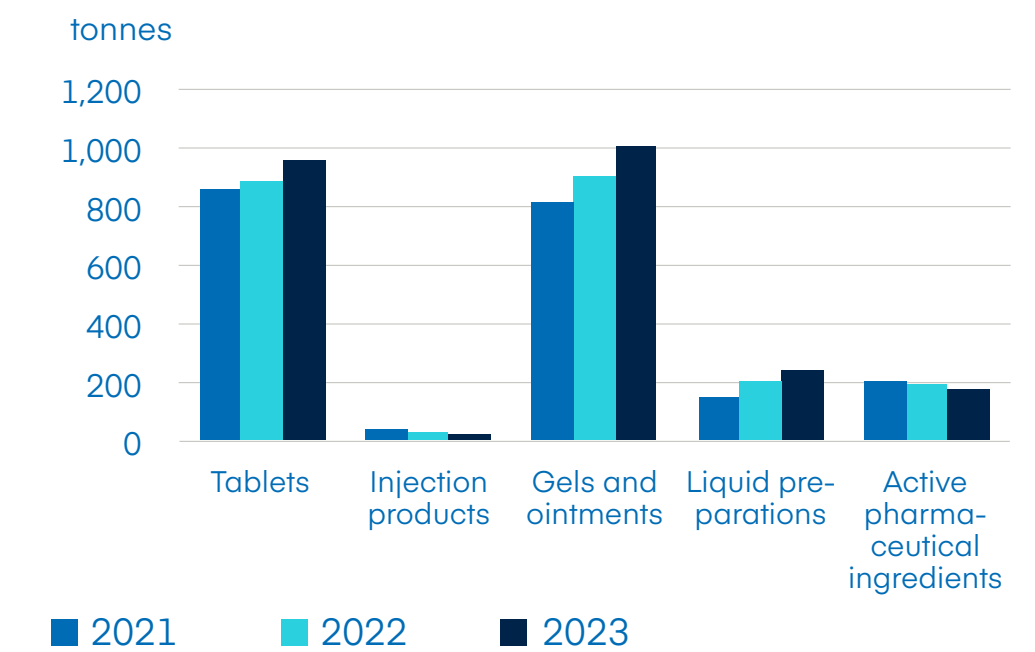
Orion's sustainable packaging design principles

Orion's guiding principles for sustainable packaging design emphasise the integration of sustainability considerations throughout the packaging development process, across the entire value chain and product life cycle. These principles assist in outlining specific actions and evaluating various solutions from a sustainability perspective. Key strategies include ensuring packaging materials are recyclable in the intended market, providing clear recycling instructions to consumers and patients, using less material when feasible, and making decisions grounded in scientific data and environmental impact studies.

Sustainable packaging in pharmaceuticals: a commitment to environmental stewardship

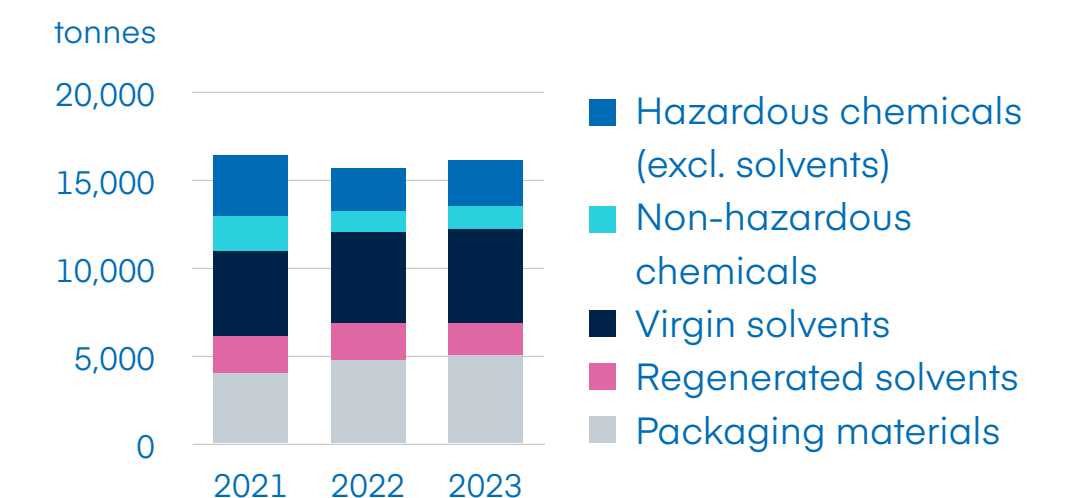
At the core of our initiatives is a commitment to understanding and minimising the environmental impacts of our packaging throughout its lifecycle. In 2023, we conducted a series of trainings about packaging sustainability. Our in-house trainings for professionals emphasise the significance of the environmental impacts of packaging occurring in our own operations, as well as other parts of their value chain. Training sessions have been well-received and liked by participants. These trainings covered a variety of topics related to the sustainability of

Production volumes



The production volumes of the product portfolio may vary from year to year, which causes variations in the reporting.

Materials use



packaging, ranging from the lifecycle of packaging, Orion packaging design principles, selection of materials, regulatory landscape, and the importance of substantiated environmental claims to ensuring our personnel is well-equipped to understand the overall environmental and patient safety aspects of packaging.

Life cycle assessment (LCA) of the basic ointment category

We have been exploring alternative materials for our packaging, such as thinner and recycled materials like aluminium and plastic. This shift not only reduces our environmental footprint but also aligns with our ambition to innovate sustainably. The work, however, is ongoing as we continuously evaluate and incorporate alternative packaging materials.

In our commitment to transparency and continuous improvement, we conducted a life cycle assessment (LCA) for our basic ointment category. This comprehensive analysis provides us with critical insights into the environmental impact of these products, from production to disposal. The findings from the LCA guide our efforts in reducing environmental impacts and enhancing the sustainability of our product range, including evaluating alternative packaging materials for our basic ointment tubes.

Our approach to sustainable packaging is driven by a deep understanding of the environmental, regulatory, and lifecycle implications. We remain dedicated to delivering ongoing education, innovation in materials, and a thorough assessment of our environmental impact, ensuring that our practices not only meet but also set new standards in pharmaceutical sustainability.

Recycling instructions for pharmaceutical packaging

Orion has started a project to integrate clear recycling instructions onto our pharmaceutical packaging. Recognising the significant environmental impact of improperly disposed medical packaging, this act aims to educate consumers, pharmacy personnel and other stakeholders on how to recycle the packaging materials of our products responsibly. In the project, easy-to-understand recycling symbols and guidelines have been created. Additionally, Orion plans to launch a campaign to further educate the public about the importance of recycling pharmaceutical packaging. This initiative not only addresses waste reduction but also promotes environmental sustainability and public health.



Environmental impact management

Our environmental impact management is guided by life cycle thinking and analysis of our value chain

Life cycle thinking is a particularly important tool and approach for Orion since it gives us a comprehensive understanding of our impact throughout our value chain. Life cycle thinking guides our environmental management and all environmental sustainability actions. It helps us to identify where in our value chain the largest environmental impact lies and where we should focus our actions in order to create the most positive impact.

The underlying integrity of Orion-branded products is fundamental to our overall operations. Orion’s environmental responsibility covers the entire supply chain, regardless of where the raw materials and products are manufactured. We ensure that we meet the requirements of the environmental management principles by undertaking training, systematic implementation and improvement, continuous monitoring of our progress in addressing potential impacts, and more. We also engage with our partners to create positive effects throughout our value chain.

We are investing in environmental improvement efforts. In 2023, our environmental investments total around EUR 4.6 million (2.3), of which the majority were energy efficiency investments, for example a

heat pump plant which utilises ambient sources of energy. We also invested in lighting improvements, to the sprinkler systems and improvements of laboratory functions. The increase in total investments was caused by the wider investment projects and the calculation method where some investments before the implementation phase are included to the 2023 investments.

Environmental responsibility relies on solid management processes

Orion’s environmental efforts in our own operations are guided by our Environmental, Health and Safety Policy (EHS) and management practices determined in the Group’s EHS management system built upon the principles set out in the ISO 14001, ETJ+ and ISO 50001 standards. The operating model for our environmental management and energy efficiency activities follows the principle of continuous improvement.

Our factories must comply with Orion’s policy and regulatory requirements. EHS professionals evaluate environmental risks, provide subject matter expertise and assess the design and effectiveness of our environmental management. EHS risk assessments, internal EHS audits and annual management reviews are used to ensure continuous improvement. The EHS information system enables Orionees to report environmental observations for which appropriate corrective action may be taken. The execution and

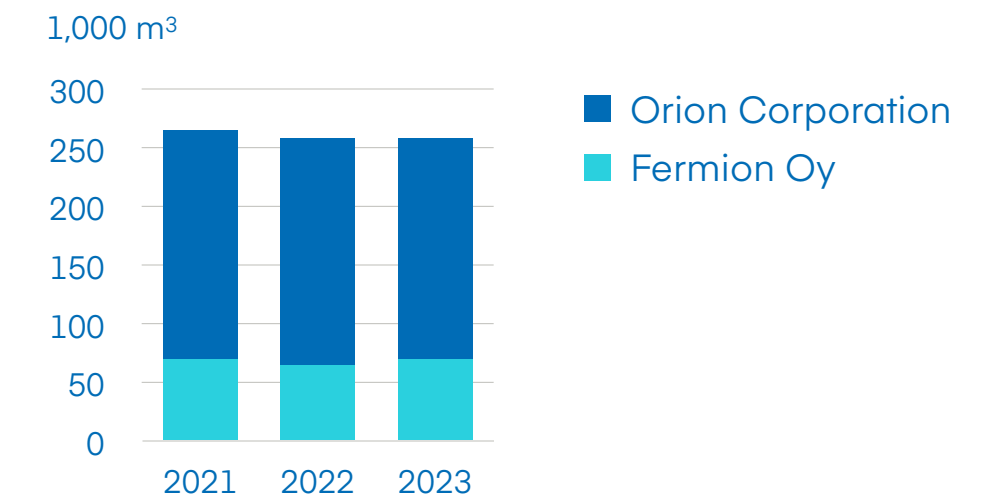
progress of corrective actions are monitored via the EHS information system.

We also expect our partners to commit to high standards and to take the initiative in promoting environmental responsibility. Learn more about this topic in the [External supply chain](#) section of this report.

In 2023, we continued developing our environmental management structure to strengthen the management of our environmental responsibility across the value chain. We addressed the identified main challenges, expectations and points of development of the management of environmental responsibility throughout the product life cycle. We identified the main environmental processes in need of further development and will strengthen them next to enable efficient environmental responsibility management in the future.

Environmental disclosure is an important part of our commitment to transparency. Data is an asset which enables continuous improvement. Monitoring and measuring our environmental performance are vital elements in managing sustainability. In 2023, we continued to streamline and upgrade our EHS-reporting processes and tools.

Water consumption in reporting units



Wastewater discharges

	2021	2022	2023
Volume, m ³	267,888	254,061	256,160
BOD, tonnes	499	437	524
COD, tonnes	683	689	765
TSS, tonnes	16	12	18
Nitrogen, tonnes	13	14	13
Phosphorous, tonnes	0.6	0.7	0.7

Pollution control is one of our most important areas of environmental management

Wastewaters must be appropriately managed because in the pharmaceuticals industry they represent a potentially severe environmental risk. We want to ensure that the wastewaters from our own operations, or that of our suppliers, do not become a gateway for pharmaceuticals to enter the environment. Read more about [pharmaceuticals in the environment](#) section here.

We know the quality of our wastewater, and we are fully committed to reducing the environmental burden on waterways caused by our operational facilities by minimising the residues of harmful chemicals in our wastewater. We monitor our factories and our suppliers' water management practices and wastewater compliance to ensure water risks are minimised. We carry out continuous work based on risk assessments to ensure the separation of wastewater streams that include non-biodegradable, or otherwise environmentally harmful substances, and treat them in accordance with Best Available Techniques Reference Documents (BREFs).

No wastewater from our sites is directly led to natural waterways, and no water is being recycled or reused by another organisation. Wastewater containing compounds unsuitable for a biological treatment plant or posing a risk of environmental

impact is directed to separate tanks and treated by evaporation and incineration as a hazardous waste.

The non-collectable wastewater from our own operations is directed to municipal wastewater treatment plants either directly or after neutralisation. The wastewater leaving the process areas of Fermion's Hanko plant is treated in our partner's adjacent biological wastewater treatment plant, from where the treated water is directed to the sea via the local municipal discharge pipe. In Hanko, we feed distilled ethanol streams to the released process wastewater, which increases the efficiency of the microbial activity in the treatment process, and thus reduces nitrogen emissions to natural waterways. There were no significant incidents of non-compliance with discharge limits during 2023.

Orion also works together with its suppliers to reduce pollution via wastewater in its supply chain. Orion's sustainable procurement process includes an assessment of suppliers' impact on water areas. This evaluation is done according to a risk-based analysis via either a self-assessment questionnaire or an on-site audit.

Our most material air emissions are volatile organic compound (VOC) emissions, which we control in our operations. The biggest impact is created by Fermion's operations because the scale of materials – especially solvents causing VOC emissions - used

in active pharmaceutical ingredient (API) production is much larger in volume than that of the production of pharmaceutical products.

In Oulu, VOC emissions are treated in a facility that operates according to cryogenic principles, and the vaporised solvents are recondensed into liquid form with the help of liquid nitrogen. In Hanko, VOC emissions are treated by our partner in a VOC treatment plant by incinerating them to create energy. In Espoo and Turku, VOC emissions from our pharmaceutical manufacturing operations are processed by gas scrubbers, where most of the VOC emissions are absorbed into water.

In 2023, our VOC emissions totalled 74 tonnes (46 tonnes), of which Fermion's operations account for around 88%. The increase in VOC emissions is partly due to the higher manufacturing volume of intermediate products and the consumption of organic solvents. In addition, changes in the product portfolio affect the amount of VOC emissions. Despite increased VOC emissions, we have remained within the requirements set by the environmental permit.

Hazardous waste management is critical to mitigating our environmental impact

Waste management is a critical part of our efforts to reduce our environmental impact. Our goals are aligned with the priority targets in the EU's waste

strategy, which are incorporated in the Finnish Waste Act. These priorities include reducing waste generated and increasing waste recycled. Waste that cannot be reused in our operations is delivered to a carefully selected third party who finds an alternative use for the waste, including energy recovery whenever possible. The amount of waste sent to landfill is kept to a minimum.

In the manufacturing of pharmaceuticals, the tolerance for errors and defects in our products is zero. A batch that fails to meet the specified requirements concerning quality and standard operating procedures is therefore deemed hazardous waste, and all input resources consumed in its production – materials, energy, time and labour – are lost. Thus, it is essential that we manufacture our products correctly the first time.

The manufacturing processes of pharmaceutical products and active pharmaceutical ingredients (APIs) differ greatly from each other, as do the amount and types of waste generated. Most of the Orion Group's waste is hazardous, and most of it comes from Fermion, due to the production of active pharmaceutical ingredients at their plants in Hanko and Oulu using synthetic methods of organic chemistry, as well as their handling of large quantities of raw materials. From Orion Pharma, typical materials from the manufacture of medicines that are treated as hazardous waste include drug waste,

Waste, tonnes

Waste diverted from disposal	2021			2022			2023		
	Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Hazardous waste									
Preparation for reuse ¹	1,822	0	1,822	1,954	1	1,955	1,937	0	1,937
Recycling	0	56	56	0	40	40	0	51	51
Total	1,822	56	1,878	1,954	40	1,994	1,937	51	1,988
Non-hazardous waste									
Preparation for reuse	0	291	291	0	209	209	0	526	526
Recycling	0	5,064	5,064	0	1,698	1,698	0	1,717	1,717
Total	0	5,355	5,355	0	1,907	1,907	0	2,243	2,243

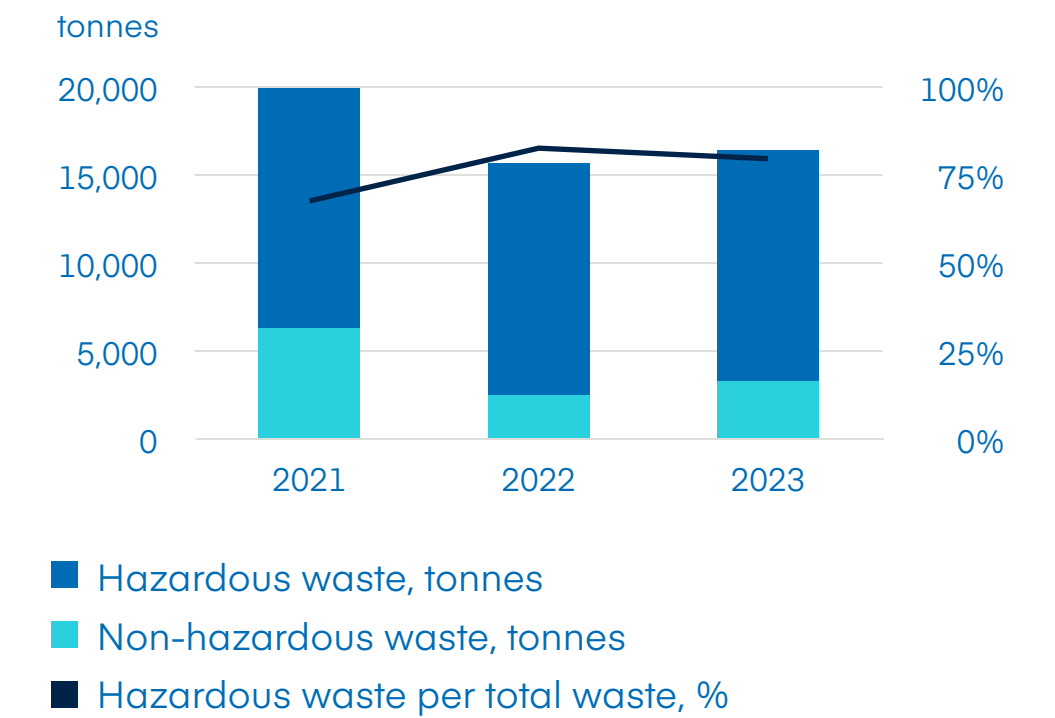
Waste directed to disposal	2021			2022			2023		
	Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Hazardous waste									
Incineration with energy recovery ^{2,3}	651	13,550	14,201	567	13,053	13,620	582	13,176	13,758
Landfilling	0	81	81	0	2	2	0	18	18
Other disposal methods	0	0	0	0	0	0	0	2	2
Total	651	13,632	14,283	567	13,055	13,622	582	13,196	13,778
Non-hazardous waste									
Incineration with energy recovery	0	956	956	0	712	712	0	994	994
Landfilling	0	0	0	0	0	0	0	0	0
Other disposal methods	0	0	0	0	0	0	0	44	44
Total	0	956	956	0	712	712	0	1,038	1,038

¹ Onsite: Regenerated solvents are reused in production processes and waste ethanol is utilised in the water treatment circulation.

² Offsite: Hazardous waste incineration includes waste streams that are pre-treated by evaporation before incineration.

³ Onsite: Regenerated solvents are used as fuel in the VOC combustion facility.

Waste



organic and inorganic chemicals, and mixtures classified as hazardous or harmful, cytostatic and carcinogenic, for example. A considerable part of our non-hazardous waste consists of different types of packaging materials.

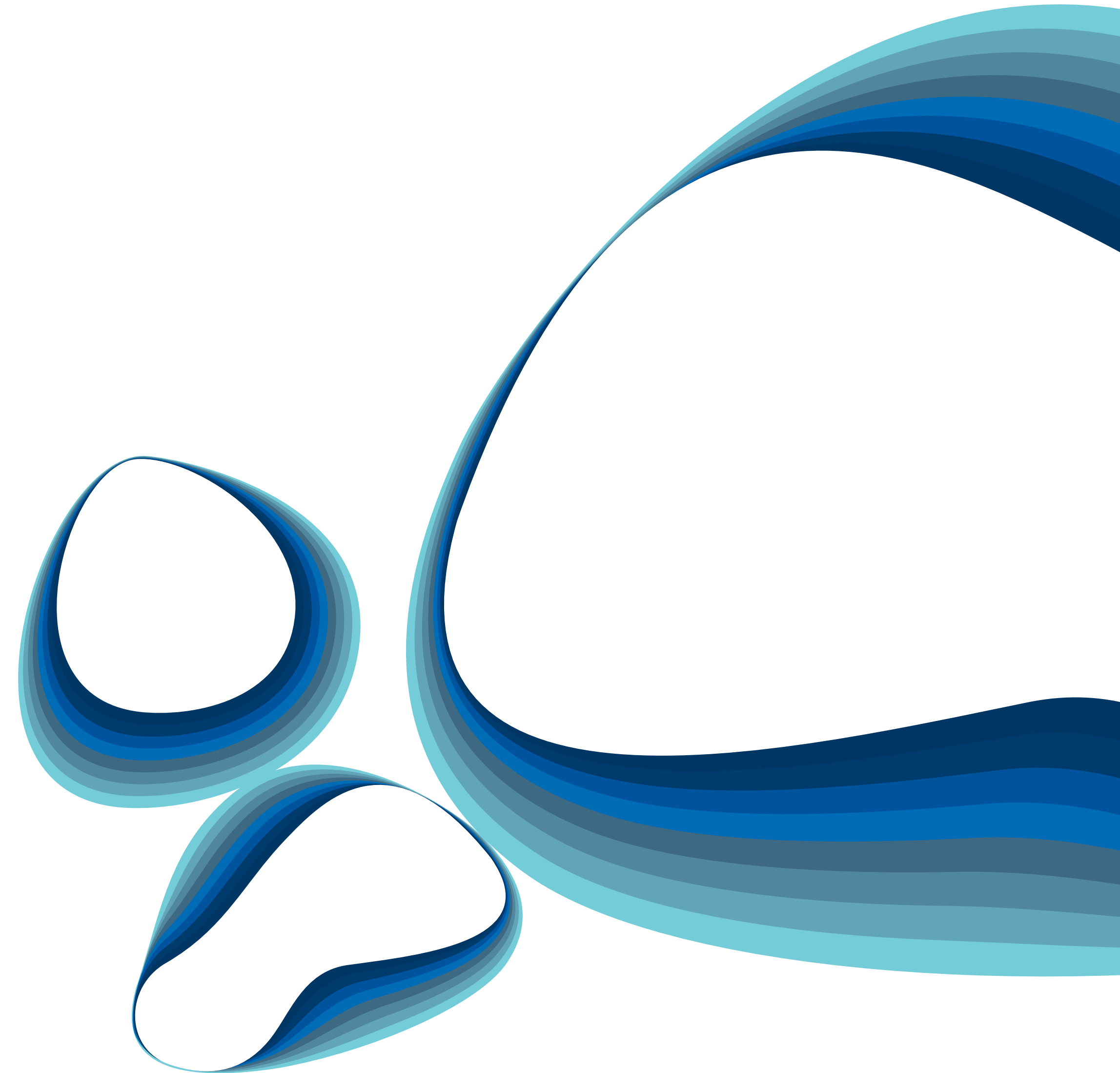
In the pre-treatment processes, our partner sorts out the fractions of our hazardous waste that can be recycled for further use, such as accumulators, batteries, refrigerating equipment and electronic equipment. Our partner incinerates our hazardous waste at its treatment facility, which specialises in the destruction of hazardous waste at extremely high temperatures. Most of our hazardous waste generates heat in the incineration process that is utilised as energy for the district heating system in the surrounding region. These fractions are reported as part of the category of “incineration with energy recovery” of hazardous waste.

One of our strategic key performance indicators is the proportion of hazardous waste compared to our total waste. Above all, our primary aim beyond reducing total waste, is to reduce hazardous waste in particular. In 2023, the proportion of hazardous waste was 80% (83%). The overall amount of hazardous waste has remained at the same level as earlier and we are continuing to search for feasible ways to reduce hazardous waste.

Water use may become an increasingly material topic for Orion

We measure and report our water consumption and manage the related risks to our environmental footprint. The different characteristics of our facilities and operations cause significant differences in the volumes of water consumed between our units and locations. Our own production plants in Finland are not located in high water risk areas, and the water we consume is taken from local municipal water supply systems. One of our Finnish sites also uses seawater recycled as cooling water. The water use at our Finnish sites is calculated either from direct measurement from water meters or is estimated based on pump usage hours.

During 2023, we conducted a water risk assessment of all our production sites. As expected, and in line with our previous understanding, the production plants in Finland are not located in high water risk areas. Our facilities in Belgium and France, compared to their Finnish counterparts, do lie in a slightly more stressed area. However, our water risk assessment did not show any significantly elevated risks. Naturally, we monitor and assess our water consumption and water-related risks continuously, and are mindful of the fact that water use may become an increasingly material topic for us.



MANAGEMENT OF ENVIRONMENTAL PERFORMANCE IN OWN OPERATIONS

MANAGEMENT APPROACH

Aim for the highest environmental standards in the industry. Identify the most significant environmental aspects of our business. Orion’s most significant environmental impacts and risks are connected to emissions and pharmaceuticals ending up in air, wastewater and the environment, the use of natural resources, waste volumes arising from the operations, and climate change, biodiversity and air and water quality.

MATERIAL DISCLOSURE TOPICS

UPDATED DOUBLE MATERIAL TOPICS FOR ORION (2023)

- Impacts on biodiversity & ecosystems including reducing pollution and pharmaceuticals in the environment
- Resource efficient manufacturing, including energy and materials
- Climate change mitigation

Material Orion topics:

- Energy: GRI 302-1, GRI 302-4
- Emissions: GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-7
- Waste: GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5
- Material Orion topic: Hazardous waste per total waste
- Water: GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5
- Environmental compliance: GRI 307-1

POLICIES AND COMMITMENTS

Orion’s EHS policy, Responsible Care programme by the Chemical Industry Federation of Finland, Motiva Energy Efficiency Programme.

GOALS AND TARGETS

- Orion’s operations are carbon-neutral by end of 2030.
- Intermediate target to reduce GHG emissions (Scope 1 & 2) of 75% by end of 2025¹.
- Commitment to set science-based emission reduction targets to reach alignment with 1.5°C by 2030.
- Improve energy efficiency by 15% by end of 2025¹. After reaching this target in 2023, new target is to improve energy efficiency by 17% by end of 2025¹.
- Less hazardous waste per total waste.
- Reduce the environmental burden on waterways by reducing the residues of harmful chemicals in our wastewater.

RESPONSIBILITIES AND RESOURCES

EHS affairs and services are managed and coordinated as follows:

- Executive Management Board: responsible for EHS operating principles being followed at Group level.
- EHS steering (headed by the Director, EHS): approves action plans and conducts management reviews for Orion Corporation.
- EHS organisation: a group-wide forum of EHS-professionals.
- Operational managers: responsible for operations in each location to be carried out according to the EHS management system and regulatory and legal requirements.

GRIEVANCE MECHANISMS

Online EHS information system for filing reports on environmental issues (available for all employees, enables anonymous reporting).

EVALUATION OF MANAGEMENT APPROACH

Systematic audits and management reviews of our own operations.

¹ Baseline 2016



Care for well-being professionals

Orion is an organisation of over 3,600 highly-educated professionals. Our goal is to offer meaningful work in a well-managed and safe working environment where people are treated fairly and equally. Appreciating each other is one of our values that helps us create a more open and psychologically safe environment. Other values are Strive for excellence and Build the future. We encourage our employees to continuously grow and develop because we believe that well-being results from motivated employees, interesting tasks, open dialogue and clear expectations.

[▶ READ MORE](#)

Care for well-being professionals 2023

We take care of our employees – the professionals who put their whole heart and expertise towards the well-being of our customers. We want to provide meaningful job opportunities in a well-managed, safe and inspiring work environment where people are treated fairly and equally.



HEALTH & SAFETY...57

Orion's Global operations launched the Safety Value Creation program in 2023 to achieve one of the long-term safety objectives, Safety in everything we do. The goal is to enhance Orion's safety performance and systematically strengthen EHS and safety competencies in the organisation, enforce data driven decision-making, and implement strong safety leadership culture in the organisation.

[> READ MORE](#)

DIVERSITY & INCLUSION...60

Orion conducted a Diversity and Inclusion Survey in November 2023. The results provided us with a better understanding of how our employees experience inclusiveness in the everyday work environment. The results enable us to focus our actions and set clear timebound targets going forward.

[> READ MORE](#)



LEADERSHIP DEVELOPMENT...55

Orion organised a Mental Well-being training for line managers in autumn 2023. The aim of the training was to develop the line managers' ability to support their own and others' mental well-being in everyday life, to identify mental health risks and to handle difficult mental well-being related issues in their daily work.

[> READ MORE](#)



TARGETS

Near-term safety target **LTIF 1 ≤ 2.9** by 2023

Decrease absences due to illness

PERFORMANCE

LTIF 1 4.8

Absence rate **due to illness 3.5%**

Employee well-being at Orion

Orion is committed to building well-being at the workplace, and we think that every one of us has the right to feel well and safe at work. We believe that it is highly important to take care of work well-being early enough and in a solution-oriented way in good cooperation between different parties. Employees, functional experts like EHS, HR, and Occupational Healthcare Services, as well as line managers and leadership teams, are all collectively responsible for making Orion a workplace where efforts to boost work well-being are an integral part of everyday life. The earlier the challenges related to work well-being are addressed, the more simply they will be solved.

Line managers play a key role in ensuring employee well-being at Orion, and they are regularly provided with training on an Early Support Model. The model aims to define roles, processes, and tools to identify and support situations that threaten well-being at work at the earliest possible stage. The line manager toolbox for supporting well-being at work consists of tools such as the Empowered Personnel Chart and Pulse survey. There are alert limits set for these tools to better track the situations where support is needed e.g. in a high workload situation or cooperation issues in teams. Line managers also follow the absentee rate due to illness and act accordingly if the rate increases. One of our main sustainability targets on the Group level is to decrease absenteeism due to illness. The absence rate due to illness (as a

percentage of total theoretical working hours for our own personnel) in 2023 was 3.5% (4.1%).

During 2023, Orion continued to invest in supporting its employees' well-being and work ability with a special focus on mental health. The MIELI recognition was again granted to Orion. The MIELI recognition is granted to companies that systematically promote mental health.

Occupational healthcare services

The goal of occupational healthcare is to promote the well-being of employees and to support their ability to cope at work. The key is to identify threats to well-being and work ability at the workplace as early as possible, and to strengthen work ability in cooperation with employees, line managers, employees and other internal and external stakeholders.

In Finland, occupational healthcare services are managed and coordinated by the occupational healthcare unit of the HR department, which also supplies occupational healthcare services in the Helsinki metropolitan area and Turku. In other locations, similar services are provided by private medical centres. Operations are carried out throughout Finland following the joint occupational healthcare action plan and the occupational healthcare agreement. Outside Finland Orion

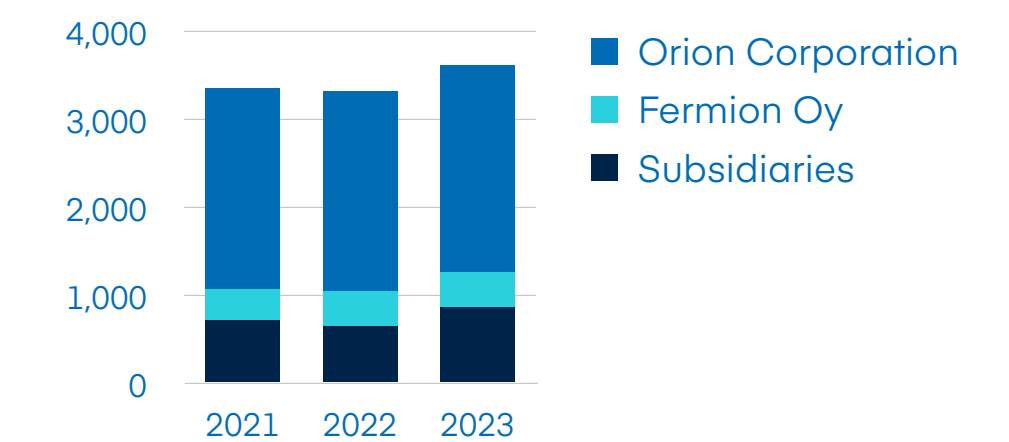
provides its employees with healthcare services based on local legislation and regulation.

In addition to the statutory preventative activities of occupational healthcare, the employer may provide medical care services to employees. Everyone working at Orion is eligible for work ability oriented medical care, which supports work ability management, and broad contracts enable good research and treatment opportunities when needed.

Occupational healthcare participates in the design and development of workplaces, work processes and tools, and contributes its own distinct perspectives to the issues. Occupational healthcare communicates its services through Orion's internal channels. Information about occupational healthcare services is also provided as a part of Orion's general onboarding programme. New Orion employees are informed of occupational healthcare practices during the pre-employment health check. In Finland, the information on occupational healthcare services is available in Finnish and English.

Employee's health-related information is always treated as strictly confidential. Orion's occupational healthcare services operate in accordance with healthcare laws and the principles of professional ethics regarding the protection of privacy and GDPR. The patient systems used by the occupational

Personnel by reporting unit¹



¹ at Dec 31

Information on employees by gender

	Female	Male	Total
Number of employees (head count/FTE)	2,143	1,612	3,755
Number of permanent employees (head count/FTE)	1,968	1,505	3,473
Number of temporary employees (head count/FTE)	175	107	282
Number of non-guaranteed employees (head count/FTE)	94	53	147
Number of full-time employees (head count/FTE)	1,905	1,532	3,437
Number of part-time employees (head count/FTE)	144	27	171

Calculations are based on employee headcount at Dec 31 2023.

Information on employees by region

	Finland	Scandinavia	Other Europe	North America	Rest of the World	Total
Number of employees (head count/FTE)	2,842	78	612	2	221	3,755
Number of permanent employees (head count/FTE)	2,614	76	566	2	215	3,473
Number of temporary employees (head count/FTE)	228	2	46	0	6	282
Number of non-guaranteed employees (head count/FTE)	147	0	0	0	0	147
Number of full-time employees (head count/FTE)	2,577	78	559	2	221	3,437
Number of part-time employees (head count/FTE)	118	0	53	0	0	171

Calculations are based on employee headcount at Dec 31 2023.

healthcare services are separate from Orion’s other information systems.

In 2023, the focus areas of occupational healthcare were: “Early identification of employees’ mental well-being challenges and in cooperation supporting of work ability in accordance with the Mental Support operating model”, “Supporting the work ability of employees and work communities in situations of work life changes”, “Supporting employees and line managers in remote and hybrid work” and the “Use and utilisation of modified work”.

In order to identify the health risks of shift work and to support personnel working in shifts, the Shift Work Support operating model was developed in 2023. The aim of the operating model is to increase the personnel’s knowledge and understanding of the health risks associated with shift work and to identify at an early stage the threats caused by shift work. The model describes the activities, responsibilities, and roles of different actors.

Employee experience

Orion regularly measures employee experience through an employee satisfaction survey. The annual Pulse Survey has invited all employees to evaluate different aspects of their work since 2020. With the help of regular surveys, the line manager can monitor the effectiveness of the agreed development

measures. The high participation rate of 82% in 2023 indicates that Orionees are eager to improve their workplace. Based on the results of the 2023 survey, Orionees find their own work meaningful, and they feel supported by their line managers.

An individual review, the Succeeding Together discussion, is also held with every Orioneer twice a year. The aim of the discussions is to both review and discuss the current state of the individual's employee experience, consisting of topics such as work well-being and competences needed to succeed in the work. In addition, the achievement of individual level targets and the plan for short- and long-term career development are covered. The goal is also to identify the individual's current strengths and development opportunities. The review includes at least one annual follow-up discussion in addition to the continuous dialogue between the team member and line manager to ensure good employee experience throughout the year.

Collective bargaining agreements

Orion respects the freedom of association of its employees, including their right to collective bargaining and to form trade unions. According to the Group's general principle of legal compliance, Orion follows the legislation and binding collective agreements.

Overall, 84% of Orion's employees are covered by collective bargaining agreements. Bargaining agreements are handled according to local legislation and customs in all operating countries. Local HR handbooks are applied in countries where relevant collective agreements don't exist, are not applied or are not a common practice.

In Finland, Orion adheres to current employment legislation and applicable collective bargaining agreements valid in the chemical industry. Collective bargaining agreements cover all our employee groups, which are employees, salaried employees and senior salaried employees in our Finnish locations.

Coverage of pension obligations

Orion has pension plans compliant with each country's regulations and practices. In the defined contribution plans, we pay fixed contributions to separate entities such as pension insurance companies managing the pensions in Finland. We have no legal or constructive obligations to pay further contributions if the recipient of the contribution is unable to pay the employee benefits. Our most important defined benefit pension plans are in Finland, where supplementary pension scheme is arranged through the Orion Pension Fund for some of the Group's salaried employees. Statutory insurance

under the Employees' Pensions Act (TyEL) has been arranged through the Orion Pension Fund for the Group's salaried employees before 31 December 2023 as a defined benefit pension which was transferred to Elo Mutual Pension Insurance on December 31, 2023.

Orion's pension obligations are listed under Note 4.2 "Pension assets and pension liabilities" of the Financial Statements 2023. At the end of 2023, our pension obligations totalled EUR 24.0 million (374.3 million) from the Pension Fund and EUR 17.0 million (16.5 million) from other units. We had a pension net asset of EUR 6.9 million (asset of 56.2 million) from the Pension Fund and a net liability of EUR 4.1 million (liability of 3.0 million) to other units.



Competence development

Orion’s success is based on the expertise of all Orionees. It is vital for our competitiveness that competences are kept up to date, skills are developed, and knowledge is shared. We are therefore focusing on continuous competence development. Strategic capabilities are defined as a part of the strategy process and reviewed annually. These show the direction for competence development activities for the following year. On an individual level we see that strong competence increases motivation, brings a sense of accomplishment and supports well-being.

Our aim at Orion is to ensure that our employees have the competences and skills necessary to implement our strategy. Managers are in a key position in supporting the development of organisational and individual capabilities. However, every Orioneer is also responsible for developing their own competences.

Training and on-the-job learning

We provide a wide range of training to support the continuous learning and development of our specialists’ competencies. In 2023, we invested EUR 2.0 million (2.0 million) in personnel training activities. Different trainings designed for specialists cover topics including good manufacturing practices, leading projects, and improving presentation skills. Furthermore, our e-learnings and virtual learning methods support Orionees from onboarding and

mandatory trainings all the way to deeper process and business understanding.

Environment, health, safety and quality-related training ensure that we operate according to expected standards and regulations. Our training data system helps us manage the competence requirements.

In autumn 2023, a new round of Orion’s mentoring program started with over twenty pairs of mentors and actors. The goal of the mentoring program is to boost career development and share skills and tacit knowledge. At the mid-term meeting in December, the pairs reported having gained very positive learning experiences and new insights.

In November, the successful Learning Week-concept was arranged for the second time. The concept is an essential part of developing Orion’s learning culture emphasising the importance of continuous learning. This year’s event was spread out over two weeks with 28 online sessions in which over 1,400 Orionees attended. This year’s topics varied, for example, from self-leadership and developing your own work, to work well-being, diversity, equity and inclusion (DEI), change management and scenario work. During the international World Quality Day on 9 November, all sessions were dedicated to quality related topics. Upon request, more than 10 laboratory or production site tours were arranged receiving very positive

New employee hires

	Number of new employee hires	% of new hires	New hire rate
By age group			
Under 30	159	37.2	4.2%
30–50	213	49.9	5.7%
Over 50	55	12.9	1.5%
By gender			
Female	249	58.3	6.6%
Male	178	41.7	4.7%
Total	427	100	11.4%

Calculations are based on employee headcount at Dec 31 2023.

Employee turnover

	Number of leavers	% of leavers	Turnover rate
By age group			
Under 30	156	36.0	4.2%
30–50	165	38.1	4.4%
Over 50	108	24.9	2.9%
Not disclosed ¹	4	0.9	0.1%
By gender			
Female	255	58.9	6.8%
Male	178	41.1	4.7%
Total	433	100.0	11.5%

¹ Information not available.

Calculations are based on employee headcount at Dec 31 2023.

Employee turnover includes temporary employees, such as summer employees.

feedback. These tours are seen as a way to increase understanding of the production processes and production work.

Learning often takes place through working together. Trying new things, as well as sharing lessons learned from situations, speeds up learning processes in the team. Knowing how to search for information, utilizing generative AI and learning efficiently are essential skills every Orionees needs to master to cope with the rapid changes in our business environment. In our R&D heavy industry, making mistakes and failing are a given, what counts is how efficiently we utilize these situations for learning and growth. It's all about having a growth mindset and cherishing a working culture which supports this. At the heart of the annual Succeeding together discussions are the discussions focused on career aspirations and the planning of each individual's competence development. The goals are followed up throughout the year.

Leadership development

Leadership is one of Orion's key competencies and is therefore in continuous development. We organise 'As a leader in Orion trainings' to instil our leadership culture, policies, and principles throughout the company. The training is mandatory for new managers. We encourage managers to coach their teams to success and expect leaders to behave according to our values. Therefore we offer trainings

to enhance our managers' coaching skills and ability to promote company values. To ensure up to date leadership skills, we organised this year quarterly refresher sessions for experienced managers highlighting essential everyday leadership topics.

Orion's leadership trainings are based on our leadership principles: Appreciative Leadership, Brave Leadership, and Collaborative Leadership. We believe everyone can signal good leadership with their own behaviour. The principles, born out of a collaborative effort, are for all Orionees, and not just for directors and managers. Leadership principles help all Orionees to do their best and take Orion forward.

Our strategic leadership development programme, 'Orion Horizon', was arranged for the seventh time and ended in spring 2023. The Orion Horizon programme was awarded with a Silver Medal in the Leadership Development category at the 2023 EFMD Excellence in Practice Awards. The recognition is granted by EFMD Global, a global, non-profit, membership-driven organisation dedicated to management development.

Orion Horizon has been designed for experienced Orion managers and specialists. The aim is to develop both participants' and the organisations' leadership capabilities and produce real improvement in our business results. The journey

was designed with and delivered by the Executive School of the University of St. Gallen. The programme combines experiential learning in teams and academic guidance combined with support from our top management. The focus is heavily on hands-on experiences and reflection. The Orion Horizon programme gathers colleagues from all parts of the organisation to collaborate, network and deliver new ideas and innovations to support Orion's growth strategy.

The emotional agency training was piloted in Orion during a half-year period running from October 2023. The goal of the pilot was to improve the sense of belonging, psychological safety and well-being within work communities and teams across Orion. In total, one hundred line managers from a variety of roles and functions participated in the emotional agency training pilot. The training consisted of seven e-learning modules, three face-to-face training sessions, and monthly sparring sessions with named training colleagues. The results of pilot will be available during April 2024.

In addition, competences related to work ability management and leading work well-being were developed during 2023. In cooperation with an external partner, Orion organised Mental Well-being training for line managers in autumn 2023. The aim of the training was to develop the line managers' ability to support their own and others' mental well-

“The emotional agency training was piloted in Orion during a half-year period running from October 2023.”

being in everyday life, to identify mental health risks and to handle difficult mental well-being related issues in their daily work. The first module focused on strengthening the line managers' own well-being and finding tools for their everyday life, while the second module addressed the theme "How do I lead the mental well-being of others?".

Traineeships, cooperation with vocational institutions and apprenticeship training

Orion organises Phase 1 Traineeship programme each year that provides valuable hands-on work experience and networking skills to university students. In 2023, we had 55 Phase 1 trainees. Orion also organised an introduction to work life for secondary school students via TET.fi cooperation. TET.fi is an online service that provides young people better accessibility to find opportunities to gain introduction to work life.

In addition, we cooperate with vocational institutions in Finland to offer practical training opportunities. Collaboration with vocational training institutions supports the growth and skill development of vocational students, fostering a bridge between education and industry.

Orion supports structured apprenticeship programmes to facilitate skill development and career entry for individuals seeking hands-on

training. The goal is to promote growth for a skilled workforce and sustainable employment practices. We participated in the Chemistry and Labour Union Pilot for Apprenticeships to create apprenticeship opportunities for young people.

Opportunities for thesis and post-doc work

We offer opportunities for students to conduct thesis research and post-doctoral work within our organisation. Supporting academic research and the pursuit of advanced degrees reinforces our commitment to research and innovation. These initiatives underscore our dedication to sustainability by investing in education, fostering skill development, and creating pathways for the next generation of professionals in collaboration with academic institutions, unions, and industry stakeholders.

“The aim of the mental well-being training for line managers was to develop the line managers’ ability to support their own and others’ mental wellbeing in everyday life, to identify mental health risks and to handle difficult mental well-being related issues in their daily work.”

Health and safety

We want to ensure that every Orioneer can go home after the workday both safely and healthy. We want to provide our employees with a safe and healthy work environment and a fully functioning work community, supported by an inspiring working atmosphere and good management. By managing the health risks, we ensure that each employee is fit for work and not exposed to occupational diseases. All employees have the right to refuse unsafe work and are encouraged to inform their manager or onsite contact immediately of all concerns.

In 2023, we continued the work around strategic safety development themes and focus areas that were set for long-term improvement initiatives in 2022. The themes are safety leadership, safety performance management, risk awareness and learning organisation. The themes provide guidance for long-term safety development throughout the entire Orion Corporation. EHS operations aim to create the basis for continuous improvement towards always safe work and environmentally responsible operations at Orion.

Orion's Global operations launched the Safety Value Creation programme in 2023 to achieve one of the long-term safety objectives, Safety in everything we do. The global operations function covers production departments in Finland. The goal is to enhance Orion's safety performance and systematically strengthen EHS and safety competencies in the organisation, enforce data driven decision-making, and implement strong safety leadership culture in the organisation.

In 2023, as a part of the program, Orion mapped out current stage and set development action actions for five focus areas, which are: Practical safety leadership, Metrics and rewarding, Competence management in safety skills, Value from root cause analysis, and Operational safety. The actions will be carried out in 2024 and 2025. In addition, a safety culture survey for employees was conducted during the year. Lessons learned and best practices will also be shared in the other Group-level functions and Business divisions.

In accordance with our EHS Policy, our occupational health and safety activities are managed with the guiding principle of continuous improvement. The practices applied in the management and development of occupational health and safety are determined in the Group's EHS management system, built upon the principles set out in the ISO 45001 standard. The EHS management system covers all operations and employees. In the EHS management system, procedures are determined for identifying, predicting, and preventing nonconformities and situations potentially hazardous to the environment, occupational health or safety, and corrective actions to be taken.

We have an occupational health and safety committee at every site. Each committee consists of representatives of the employer and the employees, whose role is to promote occupational health and safety at the workplace. Occupational health and safety representatives in the occupational safety

cooperation have the right to attend and speak at committee meetings. Each committee can suggest improvements concerning working conditions, occupational healthcare, occupational safety, and health training, as well as management. With regular meetings, committees also help to organise activities aimed at maintaining employees' work ability. The occupational health and safety representatives can report any weaknesses identified by employees to the employer to find solutions and ensure safety.

New drug molecules are usually very effective, and their active doses are small. Medicinal substances are chemicals, but at the same time substances whose purpose is to cause a certain beneficial effect in a person or animal at a certain dose. The aim is that no one is exposed to the drug in the course of their work in such a way that the exposure would cause adverse effects to them. The risk of exposure is eliminated and reduced by technical and organisational measures. Where not all exposure to workers can be eliminated or prevented, workers use personal protective equipment. At Fermion, the manufacturing processes of new highly active pharmaceuticals are designed and implemented in such a way that technical measures are taken to control the risk of exposure. The same principle is applied with Orion during the manufacture of medicinal products.

The occupational health and work safety organisation have continued conducting systematic risk

assessments of workplaces, processes, working conditions and methods. Such assessments help us develop safe working conditions. There are different types of risk assessment tools at our disposal, for example chemical exposure and machinery safety risk assessments and analyses of potential risks. We continue to improve our risk management by developing our own processes and operating model. At Fermion, the manufacturing processes of new highly active pharmaceuticals are designed and implemented in such a way that technical measures are taken to control the risk of exposure. The same principle is applied at Orion during the manufacture of medicinal products.

In 2023, Orion implemented new solutions in production to enhance the work ergonomics of repetitive tasks and cleaning. Also, new worktops and better methods of work were introduced. Additionally, noise levels in the production areas were reduced by relocating lift engines. At Fermion's site in Hanko, a work ergonomics assessment was undertaken, to identify potential risks and improve overall workplace ergonomics. It included an occupational physiotherapist observing the repetitive work tasks involved in production and maintenance. Based on the observations, we purchased new assistive equipment, for example adjustable worktops, lifts, and exoskeletons, to enhance the safety and efficiency of our operations.

We utilise regular safety walks with safety talks as a tool to engage our employees and managers, to increase the safety dialogue within our organisation.

Change management is applied to occupational and environmental safety, and the impact of Good Manufacturing Practices (GMP) related changes on safety is regularly assessed.

Health and safety training

The general guidelines and principles concerning corporate safety and safe work are provided in our Corporate Governance Manual and Orion Security Guide, as well as in more detailed function- and location-specific guidelines. Task-specific aspects of safety are observed in the standard operating procedures defined in detail for individual tasks and work phases. EHS guidelines are available to all employees in our intranet.

We emphasise the importance of each employee to be aware of occupational health and safety risks, as well as how to manage the risks. Every new Orioneer conducts a basic training that includes EHS orientation e-learning training. Every Orioneer participates in a mandatory health and safety training annually to update their competences on work safety matters. In 2023, we also organised regular safety sessions with a total of 32,076 attendants and 2,642 sessions. This year's themes included, amongst others, psychological safety and the evaluation of safety actions. Health and safety trainings have been divided into four levels: basic training for all Orionees, training for specific tasks, training for specialists, and training for managers. EHS trainings are an important part of maintaining our safety culture. In 2023, we organised

218 (173) training courses focusing on health and safety, with a total of 2,709 (2,729) attendants and 19 e-learning trainings with a total of 4,932 (4,423) attendants.

To enhance the accessibility of our trainings, we initiated an instructional video project at Fermion's site in Oulu. This project involves recording videos of the work processes, which can be used to support the training and can be watched at any given time. The goal is to strengthen the accuracy and safety of the working methods, thereby enhancing overall safety measures.

Safety performance and culture

We are committed to improving our safety performance and our long-term target is zero accidents. To monitor our progress towards this target, we have set a Group-level key performance indicator of lost time incident frequency (LTIF 1). In 2023, the short-term target for lost time incident frequency, which was defined to be $LTIF\ 1 \leq 2.9$, was not achieved. We aim to achieve our safety targets through the Safety Value Creation program and by strengthening the safety culture.

We encourage employees and contractors to report safety observations including incidents, positive safety observations and near-misses via our EHS platform. Observations can be reported anonymously. All observations are investigated, necessary corrective actions are taken, and they can serve as learning material to prevent future accidents. Employees can also follow the progress of the corrective actions

through the EHS platform. There were 2,437 (2,871) safety observations recorded in 2023.

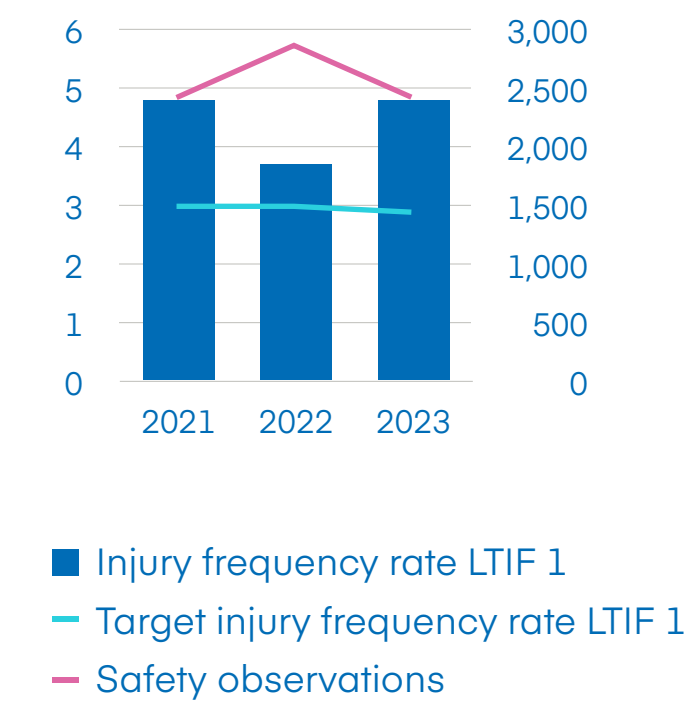
In September 2023, Orion launched a new online Environment, Health, and Safety (EHS) platform. The platform significantly improves the management, reporting, and inspection processes of EHS observations, accidents, risk assessments, and safety walks. It also helps to find the root causes and most effective corrective actions and offers enhanced opportunities for data analysis to prevent future incidents and increase safety.

We investigate all injuries with a root cause analysis, and the analyses are then utilised to suggest corrective actions. Most workplace injuries occur in production departments, and typically consist of injuries to feet and hands caused by tripping, falling, and the pinching of fingers.

Our employees reported a total of 36 commuting injuries in 2023, namely injuries that occurred on their way to and from work. Most of these injuries were sprains caused by slipping on icy roads.

To increase the safety of commuting, we continued our cooperation with the Finnish Road Safety Council to decrease the number of commuting injuries. In 2023, an annual calendar was drawn up with scheduled campaigns, and subject areas were related to safe commuting by foot, by bicycle and by car. In addition, a proactive cycling course pilot was continued exclusively for Orion employees.

Injury frequency rate and safety observations



Injury frequency rate, LTIF measures the number of workplace injuries per million working hours. **LTIF 1** includes workplace injuries, which led to an absence of 1 or more days. 2023 reporting includes Orion Group employees globally. VMD employees of production sites in France and Belgium are included as of July 2022. 2021 reporting includes Orion Group employees in Finland.

Number of injuries and rate of employees¹

	2021	2022	2023
Total number of injuries	26	27	64
of which lost time injuries (LTI) ²	20	17	28
of which high-consequence injury	0	0	0
of which fatalities	0	0	0
Total injury rate	6.3	5.1	11.0
of which lost time injuries (LTI) ²	4.8	3.2	4.8
of which high-consequence injury	0	0	0
of which fatalities	0	0	0
Hours worked³	4,142,821	5,322,526	5,809,579

¹ Reporting covers Orion Group operations. 2022 reporting covers Orion Group operations, excl. VMD units. 2021 reporting covers Orion Group operations in Finland.

² Excluding fatalities and high-consequence injuries.

³ For operations in Finland and in production sites in France and Belgium actual working hours are used. For Orion Pharma subsidiaries in Europe and Asia-Pacific estimated working hours are used.

Number of injuries and rate of contractors¹

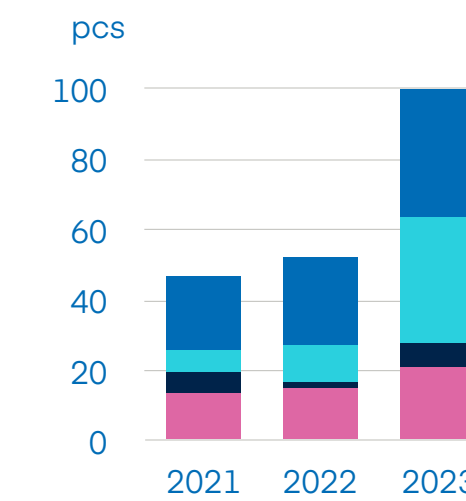
	2021	2022	2023
Total number of injuries	5	1	1
of which lost time injuries (LTI) ²	5	1	1
of which high-consequence injury	0	0	0
of which fatalities	0	0	0
Total injury rate	3.3	0.7	0.6
of which lost time injuries (LTI) ²	3.3	0.7	0.6
of which high-consequence injury	0	0	0
of which fatalities	0	0	0
Hours worked³	1,521,193	1,458,407	1,664,652

¹ Reporting covers Orion Group operations. 2022 reporting covers Orion Group operations, excl. VMD units. 2021 reporting covers Orion Group operations in Finland.

² Excluding fatalities and high-consequence injuries.

³ For operations in Finland and in production sites in France and Belgium actual working hours are used. For Orion Pharma subsidiaries in Europe and Asia-Pacific estimated working hours are used.

Injuries



- Commuting injuries
- Workplace injuries causing no absence
- Workplace injuries causing absence of less than 3 days
- Workplace injuries causing absence of 3 or more days

Injuries include injuries caused by accidents which require medical treatment from the doctor or sick leave.
Workplace injuries include injuries that occur during working time.
Commuting injuries include injuries that occur when employees are travelling between home and work.
 Reporting covers Orion Group operations, excl. VMD units. 2021 reporting covers Orion Group operations in Finland.

Diversity, equity and inclusion (DEI)

At Orion, we recognise that a diverse, equal and inclusive workplace fosters both well-being and commitment at work as well as innovation. Although we are still in the early stages of our DEI journey at Orion, we want to increase our understanding and awareness level of diversity and inclusion while seeking to build a more diverse, equal and inclusive work community. We recognise the need for dialogue, training and tangible actions to make progress on this topic. Orion is committed to engaging its employees in activities that advance diversity, equality and inclusion at work. This provides us with a foundation for gradually integrating DEI into all business functions and processes.

Orion’s Human Resources Policy provides the framework for equal opportunities plans in all countries where we have operations, while observing local legislation. Our sites in Finland comply with our equality plan designed to promote equality at the workplace in terms of recruitment, payroll systems, work-life balance and educational opportunities. We observe the equality aspects when developing the work environment and operational practices. The working group for the development of equality at our Finnish sites consists of representatives from all employee groups and the employer. We take our employees’ opinions into consideration in the decision-making process on human resources and when implementing decisions. Moreover, our managers and HR have regular informal meetings

with employees and their representatives at mandatory employer-employee forums.

Orion’s Diversity, Equity and Inclusion Employee Resource Group, consisting of employees interested in advancing DEI work at Orion, actively discusses and shares experiences and ideas moving Orion’s DEI work forward. Topics have included inclusivity aspects in the work environment, communications, training and awareness raising, recruitment and career development, and work-life balance, among other issues.

Monitoring the current status and progress is important. Orion conducted a Diversity and Inclusion Survey in November 2023. The DEI Employee Resource Group actively participated in building the survey, and in discussing the results and subsequent priorities. The results provided us with a better understanding of how our employees experience inclusiveness in the work environment. The results enable us to focus our actions and set clear timebound targets going forward.

Awareness raising on DEI topics is a priority in Orion’s DEI action. We want to facilitate dialogue on DEI topics and engage our employees in the process. Orion celebrated and recognised the Pride Month, giving it visibility at its sites globally. DEI themed lectures were organised during Orion Learning weeks in November. A DEI training session was also held

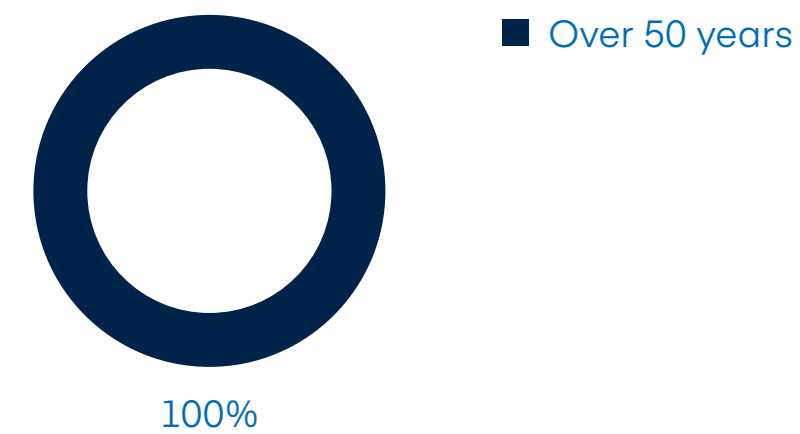
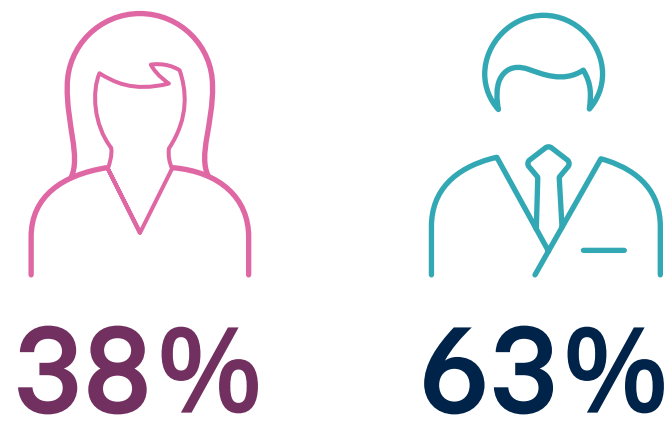
with the shop stewards as a key audience to facilitate their ability for provision of appropriate support to the employees. DEI topics have continued to feature among the topics of Orion’s Safety Sessions – a tool for all departments and teams in Orion to hold regular and open discussions on all aspects of safety.

In Finland, we have revised all gendered job titles into gender-neutral titles. Orion’s management and employee representatives will review and assess the outcome of the mapping.

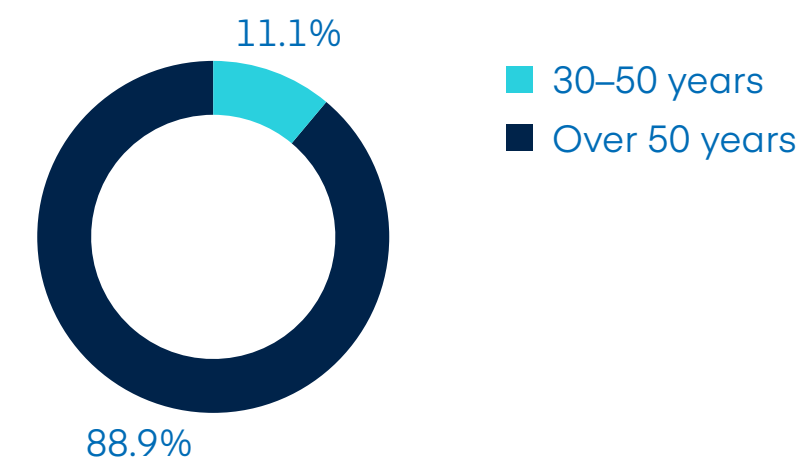
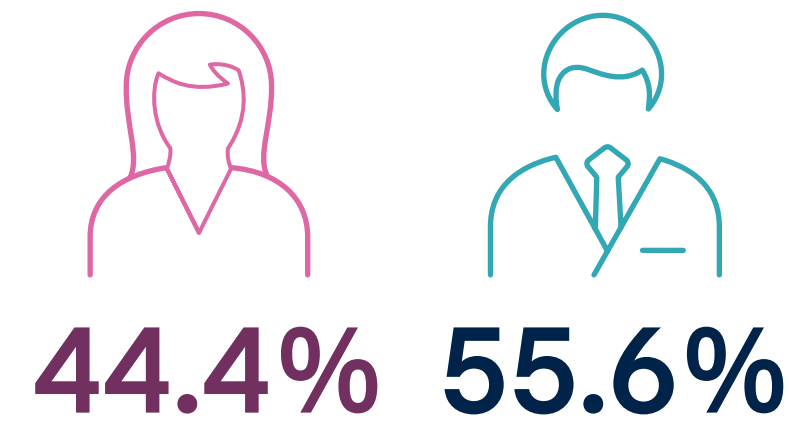


DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES AS ON 31 DECEMBER 2023

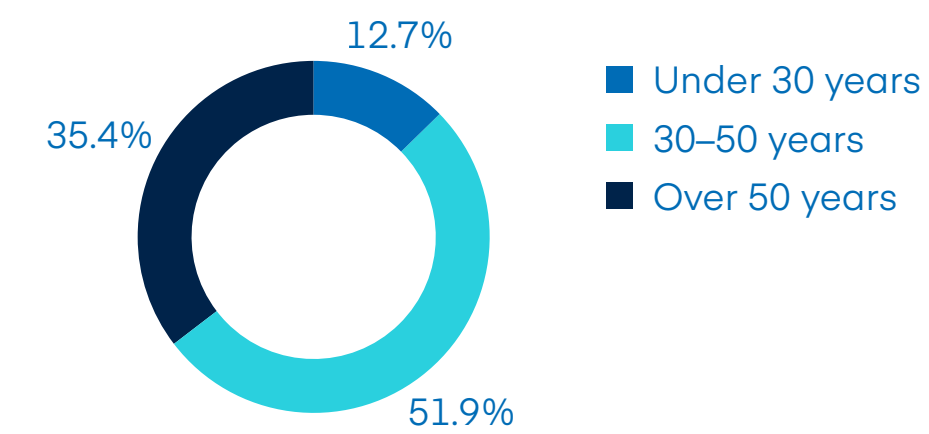
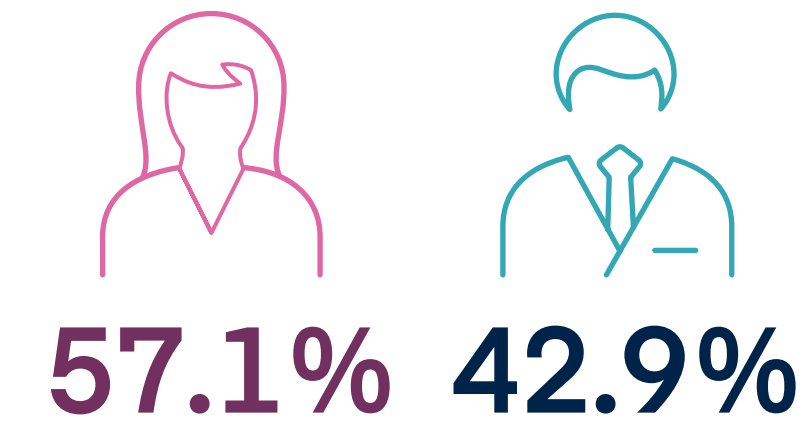
BOARD OF DIRECTORS



EXECUTIVE MANAGEMENT BOARD



PERSONNEL



Diversity of employees by gender and age

	Female, %	Male, %	Not disclosed ¹ , %	Under 30, %	30–50, %	Over 50, %	Total, %
Employees	8.5 (8.4)	15.0 (14.3)		4.5 (4.3)	11.8 (11.2)	7.2 (7.2)	23.5 (22.7)
Senior salaried employees	25.4 (25.8)	15.9 (15.9)	0.00 (0.1)	3.9 (3.3)	23.7 (24.1)	13.7 (14.4)	41.2 (41.8)
Salaried employees	23.2 (23.3)	12.0 (12.2)		4.3 (3.4)	16.4 (16.2)	14.6 (16.0)	35.2 (35.5)
Total	57.1 (57.5)	42.9 (42.4)	0.00 (0.1)	12.7 (11.0)	51.9 (51.4)	35.4 (37.6)	100.0 (100.0)

Calculations are based on headcount at Dec 31.

¹ Information not available.

CASE

Orion’s first diversity and inclusion employee survey

In 2023, Orion conducted its first employee survey focusing specifically on the themes of diversity and inclusion. The results pointed out where we have succeeded and where we should focus our actions on. Next, we will create an action plan, outcome-oriented targets and metrics to further advance our performance on DEI themes.

Orion has taken an active start on its journey of diversity, equity and inclusion (DEI). Many firm steps have been taken over recent years to raise awareness across the organisation and underline the centrality of DEI for Orion. Orion’s senior management continuously demonstrates its commitment to advancing DEI at Orion. At this stage, Orion recognised the need for a more structured and thorough approach with clear data on which to base actions. For this purpose, during autumn 2023 Orion conducted its first employee survey dedicated specifically to the topics of diversity and inclusion for its whole personnel.

The survey was built and conducted in collaboration with an external expertise organisation. We tried to make the process of building the survey as inclusive as possible and engaged functions from different

geographical regions as well as different employee groups. The Orion DEI Employee Resource Group was especially engaged in drafting the survey contents to ensure that the survey would provide relevant results for our specific context. When constructing and conducting the survey, careful consideration was given to the necessity of having the right balance of detailed information and the safeguarding the strict anonymity of the respondents.

The results showed where we have succeeded, and where we need to focus next

The response rate was commendable, and the majority of our employees took part in the survey, thereby providing a good set of representative data. Also, many open replies and recommendations were given by respondents - an indication of the commitment of the employees and a need being felt for this type of survey. The results confirmed many existing strengths at Orion regarding both inclusivity and diversity. Orion’s commitment to DEI and the actions taken to date was recognised by the employees. The results also provided clear indications of the focus areas for taking action. Furthermore, the data gives a baseline for setting specific, timebound and outcome-oriented targets for diversity and inclusion.

The data provides us with an increased understanding of the nature and rate of diversity in the organisation, also allowing us to mirror the diversity of Orion with the population in society. The results were compared with averages on both a national and a global level. When it comes to the experience of inclusion, we now have a comprehensive picture of where Orionees consider efforts are needed to ensure equal and inclusive experiences, regardless of the personal characteristics of the individuals working in Orion.

Focus on increasing the inclusivity of minority groups

The results confirmed that in certain areas the experiences of individuals belonging to minority groups are not as good as the average experiences of the personnel. This is in line with the general understanding and research on the experiences of minorities in working life. It shows that special attention and robust, targeted action is required to achieve an equally positive experience of the work environment for all minority identifying individuals in Orion.

The results were discussed in the Executive Management Team as well as in all management teams. Next, we will develop action plans together

with the Orion DEI Employee Resource Group. In addition, we will set metrics and outcome-oriented targets for focus areas, measure related progress regularly and retake a comprehensive diversity and inclusion survey again in coming years.

MANAGEMENT OF HUMAN RESOURCES AND OCCUPATIONAL HEALTH AND SAFETY

MANAGEMENT APPROACH	Aiming for the highest health and safety standards in the industry. Great place to work, a responsible employer committed to building well-being and enthusiasm together in the workplace.	
MATERIAL DISCLOSURE TOPICS	<p>UPDATED DOUBLE MATERIAL TOPICS FOR ORION (2023):</p> <ul style="list-style-type: none"> • Employee health, safety & well-being and work-related rights • Diverse and inclusive work community, equal treatment, and capability development 	<p>Material Orion topics:</p> <ul style="list-style-type: none"> • Occupational health and safety: GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9 • Employment: GRI 401-1 • Training and education: GRI 404-2 • Diversity and equal opportunity: GRI 405-1 • Material Orion topic: Absence rate due to illness
POLICIES AND COMMITMENTS	Orion’s EHS policy, HR Policy, CoC. Responsible Care sustainability programme by the Chemical Industry Federation of Finland.	
GOALS AND TARGETS	<ul style="list-style-type: none"> • Long-term target: zero accidents. • Short-term target: LTIF 1 ≤ 2.9 by 2023. • Goal: decrease absences due to illness. 	
RESPONSIBILITIES AND RESOURCES	<p>EHS affairs and services are managed and coordinated as follows:</p> <ul style="list-style-type: none"> • Executive Management Board: responsible for EHS operating principles being followed at Group level. • EHS steering (headed by the Director, EHS): approves action plans and conducts management reviews for Orion Corporation. • EHS organisation: a group-wide forum of EHS-professionals. <p>Operational managers: responsible for operations in each location to be carried out according to the EHS management system and regulatory and legal requirements. HR affairs and services managed and coordinated by the HR Department:</p> <ul style="list-style-type: none"> • The Vice President, HR. • Occupational Health Services part of the HR services. 	
GRIEVANCE MECHANISMS	Online EHS information system for filing reports on environmental issues (available for all employees, enables anonymous reporting).	
EVALUATION OF MANAGEMENT APPROACH	Systematic audits and management reviews of our own operations. Pulse survey is used to regularly monitor personnel’s feedback, perspectives and progress of actions.	



Ethics at the core of our business

Doing business in a responsible manner means that we are a good corporate citizen with high ethical standards, solid corporate governance, and strong financial performance. We maintain strict ethical standards and act responsibly in all situations. Together with our partners we are building a transparent and sustainable business.

[▶ READ MORE](#)

Ethics at the core of our business 2023

We follow high ethical standards and operate responsibly in all situations. Orion’s Code of Conduct lays the foundation for our responsible operations. We build sustainable and transparent business operations with our partners.



REQUIREMENTS FOR THIRD PARTIES...68

We updated our Third Party Code of Conduct to correspond to the PSCI Principles for Responsible Supply Chain Management, which were updated in 2023. The update advances and reinforces the commitment to the UN Guiding Principles on Business and Human Rights (UNGP) throughout the value chain.

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ENSURING COMPLIANCE...66

Orion strengthened its compliance management by establishing a Compliance function. The tasks of this new Group function include building a comprehensive Corporate Compliance Programme that supports Orion’s business objectives and ensures compliance.

[> READ MORE](#)



ORION SOCIAL RESPONSIBILITY ROADMAP ...71

In 2023, Orion compiled a social responsibility roadmap which covers actions and steps concerning strengthening the prevention, mitigation, and ending of adverse impacts to rights-holders throughout the value chain. We have a solid foundation on which to conduct human rights due diligence, but with the help of the roadmap we aim to develop our processes even further.

[> READ MORE](#)

TARGETS

Orion ensures that all employees receive mandatory **Code of Conduct e-learning**

Orion ensures that all salaried and senior salaried employees are **regularly trained on anti-corruption and anti-bribery matters.**

100% of active packaging material, raw material and product suppliers confirm adherence to Orion’s Third Party Code of Conduct

PERFORMANCE

460 Orionees trained in 2023

348 Orionees trained in 2023

99.7% of active packaging material, raw material and product suppliers confirmed adherence

Ethical business practices

We believe that responsibility is everybody's business. Orion Group's Code of Conduct (CoC), publicly available on [Orion's corporate website](#) in 17 languages, sets out the operating principles of our company and guides our daily work. Our CoC is centred on three themes: compliance with laws and regulations, integrity, and responsibility. A Code of Conduct e-learning course, also available in 17 languages, is mandatory for all Orionees. In 2023, Orion published two additional language versions of the policy and related e-learning to ensure accessibility to all employees. The majority of the Group employees completed the mandatory Code of Conduct e-learning in 2020, when the training was published. During 2023, 460 (682) Orionees completed the CoC e-learning course. The number decreased compared to the previous year, as Orion arranged comprehensive training for VMD employees in 2022 following the acquisition.

The principles concerning anti-corruption are included in our CoC and our Anti-Corruption Policy, which clearly instruct our employees to refuse to offer or take a bribe or any comparable benefit. Our employees are educated and trained regularly and systematically to understand the purpose and importance of our anti-corruption principles. Anti-bribery and corruption training is mandatory for all salaried and senior salaried employees. In 2023, Orion published an additional language version of Anti-bribery and corruption training. Orion provides

the training regularly and the latest comprehensive retraining for the targeted personnel groups was carried out in 2022. In 2023, 348 (1,800) employees completed the training.

Ensuring compliance

In 2023, Orion strengthened its compliance management by establishing a Compliance function. The tasks of this new Group function include the building of a comprehensive Corporate Compliance Programme that supports Orion's business objectives and ensures compliance. Orion's Corporate Compliance and Ethics Programme includes focus area specific compliance programmes which are selected and designed based on compliance risk. Utilising the compliance programme structure ensures a systematic, effective and transparent way to manage compliance in selected focus areas.

During 2023, our focus area compliance programmes included data protection, anti-bribery and corruption, and trade sanctions and export control.

For reporting any misconduct, Orion has a public whistleblowing channel that complements the usual communications and reporting channels. The channel can also be used to report suspected breaches of securities market regulations. Reports can be submitted fully anonymously. The channel promotes good governance and ethical operations and helps to improve our processes after any

reported incident. Orion encourages the personnel and other stakeholders to bring to the attention of the Company's management their experiences, observations and suspicions about behaviour suggesting a violation of human rights, as well as any other activity breaching the ethical codes and internal guidelines. Orion investigates and deals with cases quickly and impartially and, to the extent possible, confidentially. Orion takes appropriate case-specific remedial measures.

Compliance awareness trainings

Compliance trainings and increasing awareness are key actions to mitigate compliance risks. Orion regularly and systematically educates and trains its personnel to understand the purpose and importance of compliance. In addition to Code of Conduct and Anti-bribery and Corruption trainings, Orion has prepared e-learning compliance training modules in GDPR, competition law, and trade sanctions, which are mandatory to area-specific target groups. During 2023, 2,291 Orionees completed one or more of these compliance trainings.

Compliance performance

There were no significant instances of non-compliance with laws and regulations, or material fines paid related to anti-corruption, human rights violations in our own operations, health or safety impacts of our products, provision and use of our products, marketing of pharmaceuticals,

environment, or anti-competitive behaviour in 2023. Related to compliance with laws and regulations in marketing and medical affairs, minor deficiencies were identified in 2023 with no significant consequences, and the appropriate corrective actions have been initiated.

In 2023, there were no reported authority rulings or legal actions regarding anti-competitive behaviour, anti-trust, and monopoly practices at Orion. We did not receive any complaints from the authorities or our customers regarding a breach of customer privacy.

During 2023, we received a total of four whistleblowing reports via our centralised channel. Three reports included information on suspected non-compliance with our internal guidelines on topics such as conflict of interest, gifts and hospitality or misuse of one's position to gain personal advantage. In all three cases, the reported concerns were at least partially substantiated and non-significant misconduct was identified. Orion implemented the necessary actions to remedy the situation.

Privacy

Orion has an established privacy framework, and we continuously develop our data protection practices. We offer our employees GDPR e-learning, and it is mandatory for employees managing personal

data. No significant personal data breaches were observed in 2023.

Advocacy

We are committed to addressing and advocating issues which help us in building health and well-being in the markets we operate in. By doing this, we are in dialogue with a number of stakeholders, including politicians and other decision-makers, and we take part in public dialogue. All advocacy is done in accordance with Orion's general business policy, as well as national and EU regulations. Orion is registered in the EU transparency register. Orion is an apolitical organisation. We do not make donations or other contributions (financial or in kind) to political parties or individuals.

Ethical marketing and communications

Our sales and marketing organisations for pharmaceuticals follow local legislation concerning medicinal products, marketing, consumers, and competition. We also follow the International Code on Advertising and Marketing Communication Practice and the Orion Group's Code of Conduct and internal guidelines.

The management responsibilities in our pharmaceutical sales and marketing operations have been arranged to meet the requirements of the relevant legislation in their respective countries,

as well as Orion's relevant standard operational procedures and internal codes. We regularly organise training on the industry codes and Orion's principles for our sales and marketing operations. Close collaboration with global and local medical affairs experts further ensures the compliance of the contents in the promotional and non-promotional materials, as well as in the interactions with external stakeholders for different purposes.

When preparing communications and materials, we follow the procedures determined by healthcare authorities for checking and confirming the legal, regulatory and ethical compliance of the content before the material is released for use and publication. During 2023, we evaluated our material review and approval processes in the sales and marketing, and medical organisations with an external expert company. The evaluation did not suggest such needs for improvements that require immediate actions, but we are continuing to develop the process and tools further based on the evaluation.

Ethical research & development practices

The development of medicines and medicinal devices is based on high-level science, which is implemented to discover and develop new and innovative medicines, and to further develop the existing medicines. Orion is committed to the

internationally agreed regulatory and ethical practices, guidelines, instructions, and codes that are used as standards in the pharmaceutical industry in all research and development. The primary good practices have been defined in the international Good Laboratory Practices (GLP), Good Clinical Practices (GCP), Good Manufacturing practices (GMP) and Good Pharmacovigilance Practices (GPvP), along with the separate local and global ethical codes. Also, in device and veterinary medicine development, we follow the respective standards. Our study activities are based on authority approvals, and we continuously consult and discuss with the regulatory and ethical authorities throughout the development and use systematic self-control of our own activities with internal quality audits. In addition, we are regularly inspected by external parties like authorities and partners, and the outcomes of those inspections are also used to continuously improve our processes.

“In 2023, Orion strengthened its compliance management by establishing a Compliance function.”

External supply chain

Orion has a vast network of suppliers in over 50 countries. Our supplier base provides us with packaging materials, raw materials (for example, active pharmaceutical ingredients), and products. We also rely on external partners for the supply of services and materials to support our core businesses.

Our goal is to promote best-in-class responsible practices in our procurement processes together with our partners. We recognise the importance of ensuring and developing sustainable practices with our partners, as our own activities only affect a part of our value chain. For example, the majority of environmental impacts stem from our external supply chain.

Besides our own efforts, we see that a common vision and shared responsibility is an effective way to improve best practices in sustainable supply chain management. As a full member of the Pharmaceutical Supply Chain Initiative (PSCI), we endorse the PSCI principles and standards for suppliers on ethics, human rights and labour, health and safety, environment, and management systems.

Requirements for third parties

We expect our suppliers, distributors and other partners to commit to Orion’s Third Party Code of Conduct, which defines our minimum sustainability requirements. Besides regulatory requirements, it

states the key principles for business operations concerning sustainability and ethics. The Third Party Code of Conduct is publicly available on Orion’s corporate website and the policy is communicated to suppliers as part of Orion’s sustainable procurement process, which includes suppliers confirming their adherence to the policy requirements. In 2023, we updated our Third Party Code of Conduct to correspond to the PSCI Principles for Responsible Supply Chain Management, which were updated in 2023. Update strengthens regulatory compliance and ensures stronger emphasis on relevant topics in pharma due to e.g. operating environment changes. Update also advances and reinforces the commitment to the UN Guiding Principles on Business and Human Rights (UNGP) throughout the value chain. The document now also includes requirements which were previously available in a separate “Supplier Sustainability Requirements” document. By the end of 2023, 99.7% (97%) of our active suppliers of packaging materials, raw materials and products had confirmed their adherence to the Third Party Code of Conduct. Regarding indirect suppliers, 92% (93%) of key suppliers confirmed adherence to the Third Party Code of Conduct in 2023.

On top of these requirements, we have a risk-based approach for managing our global supply chain. Our suppliers are assessed based on their industry,

SUSTAINABLE PROCUREMENT PROCESS

REQUIREMENT	RISK		
	LOW	MEDIUM	HIGH
Third Party Code of Conduct			
Self-assessment Questionnaire			
Audit			

location, and business criticality. We use either self-assessments or onsite audits as risk mitigation tools.

In 2023, we held a total of 11 sustainability audits, all carried out on-site. The PSCI provides the opportunity to share audit reports to other member companies to reduce the audit burden within the pharmaceutical industry. During 2023, we carried out fewer audits than the previous year, as we were able to make use of these shared audits. In addition, there is some yearly variation on the timings of the re-audits. One critical audit finding was raised regarding

environmental management practices of a supplier regarding hazardous waste management practices adopted at the site. Immediate corrective action plan was prepared by the supplier and close verification of its implementation was followed actively by Orion.

During 2023, we continued to offer capability building opportunities for our suppliers through the training sessions arranged by PSCI. A total of 45 of our suppliers participated in the PSCI’s India and China conferences.

In 2023, we prepared for our Scope 3 carbon emissions reduction targets within our supplier base. We arranged internal trainings for our personnel to enhance their understanding on sustainability topics within procurement and also worked on improving our processes to proactively meet the increasing customer and market requirements now and in the future. We were awarded a Silver medal by EcoVadis, with above industry scoring within the Sustainable Procurement area. Our over-the-counter medicines in Sweden were awarded a Vålvald label by the Board of Swedish Pharmacy Association, representing sustainable practices within the manufacturing and procurement activities related to these products.

In 2024, we will finalise the target setting for our Scope 3 emissions within our supplier base and will engage with our suppliers to adopt science-based targets for emission reductions. We will prepare for new reporting and disclosure requirements and continue to improve our processes to meet future requirements. We continue to enhance the sustainability expertise of our personnel involved with procurement through various trainings.

More information about sustainable procurement at Orion is available on [Orion's corporate website](#).

“In 2023, we prepared for our Scope 3 carbon emissions reduction targets within our supplier base.”

Human rights

At Orion, we respect internationally recognised human rights in all our activities and promote them in practice. We are committed to the principles of the Universal Declaration of Human Rights and the core conventions of the International Labour Organisation (ILO) and expect the same from our partners.

We take action to prevent and mitigate potential adverse impacts on rights-holders across our value chain and to bring any actual adverse impacts to an end. We do not tolerate the use of child labour or forced labour in our own, or our suppliers' or partners' operations. We do not accept discrimination in any form.

The life cycle of a pharmaceutical, from R&D to patient use, is long and involves a large number of people whose rights must be protected. Significant rights-holders in the value chain include Orion's own employees, the people employed in Orion's extensive supply chain, local communities of Orion's suppliers, patients involved in clinical trials and drug development, and patients who use pharmaceuticals. We also recognise our responsibility for the impacts to people that come indirectly from the environmental impact of production and use of pharmaceuticals.

Human rights are integrated into our corporate governance practices and our supplier management due diligence procedures. Our Code of Conduct outlines our way of operating with regard to

respecting human rights. Human rights matters are included in mandatory manager training, which, among other things, focuses on our Human Resources Policy. In line with our Human Resources Policy, employee rights are regularly discussed in company-wide human resources information sessions.

We have conducted a corporate level human rights impact assessment as part of our human rights' due diligence process. We carry out continuous identification and evaluation of potential and actual human rights impacts in our operations and in the value chain. Our sustainable procurement process includes carrying out corrective actions, when needed, and monitoring their completion. Remedial action will be provided in cases of negative human rights impacts.

The most severe human rights risks in Orion's value chain relate to the global supply chain. We promote human rights in our supply chain primarily by requiring our business partners to commit to Orion's Third Party Code of Conduct and by applying our sustainable procurement process. Orion's Third Party Code of Conduct was updated in 2023 to strengthen the commitment to respecting human rights and implementing the UN Guiding Principles on Business and Human Rights in the value chain.

Orion has identified its salient human rights issues in the value chain to contain labour rights, work safety, privacy, the right to a healthy environment, and patient safety topics. These are the areas where we focus our human rights work on. We continuously aim to develop our human rights due diligence process and also improve our communications on human rights to our stakeholders. Dialogue and active communications with stakeholders across our value chain, including our suppliers, partners and peers is a part of carrying out human rights due diligence and the promoting of respect for human rights.

In 2023, we continued to apply human rights due diligence practices with a risk-based approach. No human rights violations in our own operations were reported through the whistleblowing channel in 2023. We report on our practices on respecting human rights and the prevention of corruption and bribery as a part of the non-financial reporting in our Financial Statement documents.

“Orion’s Third Party Code of Conduct was updated in 2023 to strengthen the commitment to respecting human rights and implementing the UN Guiding Principles on Business and Human Rights in the value chain.”

CASE

Social responsibility roadmap for the years 2024–2026

In 2023, Orion compiled a social responsibility roadmap which covers actions and steps concerning strengthening the prevention, mitigation, and ending of adverse impacts to rights-holders throughout the value chain. We have a solid foundation on which to conduct human rights due diligence but with the help of the roadmap we aim to develop our processes even further.

We believe that human rights due diligence is an ongoing journey rather than a fixed destination. Therefore, we are consistently enhancing our practices and are now taking steps to adopt a more structured and comprehensive approach to the advancement of our human rights due diligence process, in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence guidance. For this purpose, we drafted a social responsibility roadmap in autumn 2023. This roadmap’s objective is to strengthen the implementation of Orion’s commitment to respecting human rights in its operations and across the value chain. With this roadmap, Orion also works to ensure that it has the continued ability to fulfil the evolving stakeholder expectations and regulatory requirements related to respect for human rights.

The roadmap envisions actions and steps concerning strengthening the prevention, mitigation and ending of adverse impacts to rights-holders in Orion’s own workforce, in and along the supply chain, and on rights-holders that are customers, patients or other end-users. It guides us to strengthen and broaden affected stakeholder engagement in the supply chain, as a central element of effective and successful human rights work. Furthermore, processes for the remediation of impacts will be improved.

The roadmap guides us to reach an improved maturity level

Respect for human rights is at the core of Orion’s values. We have a solid foundation in place to conduct human rights due diligence but are committed to continuously improving our process. Therefore, we have developed a social responsibility roadmap that sets out actions for the next three years. The roadmap covers all functions and operations in Orion Group, ensuring that implementation cuts across all parts of the organisation and helps us reach an improved maturity level.

In the first phase, we are working to better understand our current performance and identify areas where we can improve. This will help us focus our efforts on where potential negative impacts are

most material. Advancing along the path of human rights due diligence implementation leads to a continuously deepening understanding and new insights into the potential negative impacts in the value chain. To respond to the increased complexity of issues being addressed, we are conducting pilots and exploring the need for tool development.

Broad perspective on human rights

Orion has strong systems in place for ensuring the quality, safety, and availability of medicines. Therefore, from a human rights perspective, we assess the most serious impact risks in Orion’s value chain to be related to the global supply chain; to occupational health and safety, and labour rights, as well as the right to a healthy environment in local communities.

Going forward, we want to gain an improved understanding and heightened certainty on the identification of material topics regarding rights-holders in Orion’s supply chain. Examples of topics whose materiality level requires exploration include impacts on child rights, and payment of a fair wage to vulnerable groups of workers. Furthermore, as sustainability by its nature requires an integrated approach, human rights considerations in the

pharmaceutical industry are intricately linked to the consideration of biodiversity impacts.

The roadmap is a living document adjusting to changing circumstances during its implementation. Our processes will ensure embedding human rights due diligence across the organisation and ensure effective identification and action with a focus foremost where the most material impacts reside. However, continual improvement is an inbuilt feature of this process which means it will never be complete. We are now taking a concerted step forward.

Collaboration principles

Doctors and other healthcare professionals, as well as the organisations they work for, are important collaboration partners for the pharmaceutical industry. They supply valuable clinical expert knowledge for the development and improvement of medicinal treatments. They may also participate in research and development (R&D), for example in clinical trials or as advisors. Such a contribution will be under specific agreements and protocols including the clauses and instructions on the ethical ways of working. Healthcare professionals can, in turn, benefit from further education and the exchange of information offered by the pharmaceutical industry in different forums. Orion is a part of the healthcare system in Finland and each year we provide training to approximately 13,500 healthcare professionals, including doctors, nurses, pharmacists and medical students. The more specific collaboration agreements with R&D include the appropriate compensation for their services for Orion. To increase the transparency of the different forms of interaction and the related financial compensation, Orion publicly discloses the details of its compensation to the healthcare professionals with the right to prescribe and deliver medicines. We disclose the payments made to healthcare professionals based on the work done for all the countries in which we have our own operations. We do not make any payments to healthcare professionals for promotional purposes. Disclosure reports are available on Orion’s corporate website.

The information we share with doctors, pharmacies, and patients on medicinal products follows the product characteristics confirmed by regulatory medicinal authorities based on the results of the research and the data collected in clinical use.

Collaboration with patient organisations

Patient organisations are formed around a particular disease or disability, and they support patients in many ways, for example by providing information, training, lobbying, peer support, rehabilitation, and organising events. Orion is committed to partnering with the patient organisations and the community from the early R&D phase to make a difference where it truly matters.

Orion supports patients, families, caregivers and healthcare professionals through the journey of diagnosis, treatment and the care of people impacted in any of Orion’s core therapeutic areas. We participate in diverse initiatives by, for example, supporting awareness days and family days, as well as running surveys, publications and educational programmes that help patients and communities to gain a voice and get peer support.

Additionally, we facilitate advisory boards and working groups to bring together patient organisations, patient representatives, and

healthcare professionals to better understand the needs and everyday life of patients. This helps us to develop products and solutions that truly meet the patients’ needs and result in better patient outcomes.

During collaborations, we are committed to the commonly agreed codes of practice on the relationships between pharmaceutical companies and patient organisations. The codes ensure ethical, compliant, and transparent collaboration with patient organisations. They emphasise the patient organisations’ integrity and the independence of pharmaceutical companies. Direct and indirect support to patient organisations must be transparently disclosed and provided, without any terms restricting competition or the supported organisation’s freedom of activity.

More detailed information on our collaboration with patient organisations is reported annually on our corporate website. The reports provide details of each collaboration and cover all the countries in which we have our own marketing organisation for pharmaceuticals.

“During collaborations, we are committed to the commonly agreed codes of practice on the relationships between pharmaceutical companies and patient organisations.”

Economic responsibility

We create value to our stakeholders and society, and our aim is to ensure the economic sustainability of our operations over the coming years. We have set objectives for our profit development and financial position to ensure economic stability, create a solid foundation for long-term profitable growth, and enable operations and profitability even in economically challenging times.

Through the financial objectives, we aim to develop the Group’s shareholder value and ensure financial stability and profitable growth. Our financial objectives for 2024–2028 are:

- To grow net sales with a compound average annual growth rate (CAGR) of at least 8%.
- To grow operating profit faster than net sales.
- To maintain an equity ratio of at least 50% and to generate return on equity (ROE) of 25% or higher.
- To increase the dividend per share annually with a payout ratio of 50% to 100%.

Achievement of these objectives requires continuous and sufficient investments in development of the product portfolio and growth. Received milestone payments which are part of Orion’s business model can generate volatility in short term growth on net sales and operating profit.

According to our dividend policy, we consider the distributable funds, the capital expenditure, and other financial requirements in the medium- and long term. Despite the challenging economic situation and the changing business environment in recent years, we have been able to grow, operate profitably, and pay good dividends to our shareholders.

Tax contribution

We are committed to paying all legally due taxes and meeting all disclosure requirements in the countries where we operate or are exposed to taxes. We have paid the taxes due on our good and stable financial results regularly and on time. In addition to corporate income taxes and other direct taxes, Orion Group contributes to society through indirect tax payments and collecting and remitting various taxes on the payments made to the employees and shareholders. In 2023, our tax contribution amounted to EUR 240.5 million as specified below.

EUR million	2023
Taxes borne ¹	92.4
Taxes collected ²	148.1
Total tax contribution	240.5

¹ Taxes borne comprise accrued corporate income taxes, real estate taxes, employer’s charges, customs duties and energy and excise taxes.

² Taxes collected comprise value added taxes remitted, payroll withholding taxes and social security payments and dividend withholding taxes.

Economic impact and shareholders

Our largest direct economic impacts come from the employment opportunities we provide.

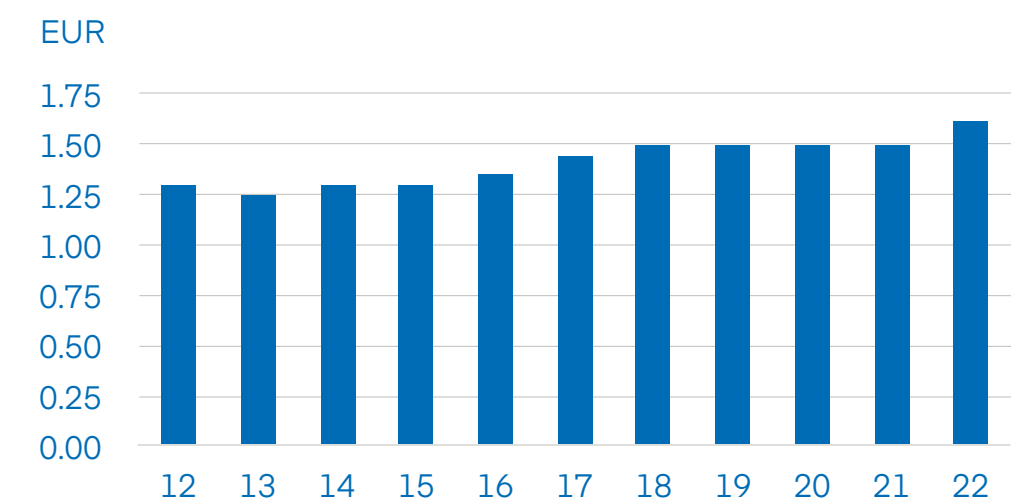
Our shareholder base is diverse, with 88,722 registered shareholders at the end of 2023. The largest shareholder group consists of private Finnish households, which held about 39% of our total shares and 62% of the total votes at the end of 2023.

Donations

Most of the annual donations made by the Orion Group are based on the Annual General Meeting and its decision to donate a part of Orion’s distributable funds to medical research and other purposes of public interest. The Board of Directors decides on the allocation of the donations, and they are granted in accordance with our Donations Policy.

The John Nurminen Foundation, which works to protect the Baltic Sea and its heritage, has been the prioritised charitable organisation receiving financial support from us. Orion has been one of the main partners of the John Nurminen Foundation from 2018 through 2023. In 2023, we supported the foundation’s operations by donating EUR 50,000 and by raising awareness on protecting the Baltic Sea both internally and externally.

Orion share dividend per share, 2012–2022



Donations for purposes of public interest, EUR¹

	2021	2022	2023
Donations	350,000	350,000	350,000

¹ Most of the annual donations made by the Orion Group for purposes of public interest are based on the decisions of the Annual General Meeting (AGM). Therefore the reporting period is from AGM to AGM, not a calendar year.

MANAGEMENT OF BUSINESS ETHICS AND TRANSPARENCY

MANAGEMENT APPROACH	We maintain strict ethical standards and act responsibly in all situations. Together with our partners we are building a transparent and sustainable business.	
MATERIAL DISCLOSURE TOPICS	<p>UPDATED DOUBLE MATERIAL TOPICS FOR ORION (2023)</p> <ul style="list-style-type: none"> • Business ethics and regulatory compliance • Transparent and sustainable supply chain, including consideration for health & safety and work-related rights 	<p>Material Orion topics:</p> <ul style="list-style-type: none"> • CoC training. • Anti-corruption and anti-bribery training. • Human rights violations in our own operations reported in the whistleblowing channel. • Active packaging material, raw material and product suppliers confirmed adherence to Third Party Code of Conduct (CoC). • Supplier environmental and social assessment: GRI 308-1, GRI 414-1.
POLICIES AND COMMITMENTS	Respecting internationally recognised human rights, the principles of the Universal Declaration of Human Rights and the core conventions of the ILO. Expecting the same from our partners. CoC, Anti-Corruption Policy, Corporate Governance Manual, Third Party CoC.	
GOALS AND TARGETS	<ul style="list-style-type: none"> • All employees trained on CoC principles. • All salaried and senior salaried employees regularly trained on anti-corruption and bribery matters. • 100% of active packaging material, raw material and product suppliers adhere to Third Party CoC. 	
RESPONSIBILITIES AND RESOURCES	<ul style="list-style-type: none"> • Executive Management Board (EMB): reviews and approves the CoC and other policies and operating principles. • The CFO: member of the Group’s EMB. Heads financial affairs, incl. financial reporting. • The Legal Affairs function: monitors current legislation, proposes changes and incorporates them into practice. Responsible for providing advice and training on the relevant matters. • The Compliance function: Responsible for maintaining and developing Orion’s Corporate Compliance Program to ensure that Orion achieves its business objectives in a manner that is both compliant and ethical and for compliance trainings. • The Public Affairs function: Responsible for ensuring that advocacy activities are carried out according to regulations and internal processes and meeting the transparency requirements. • The Corporate Responsibility function: Group-level sustainability expert, responsible for driving sustainability initiatives, supporting processes and practices and coordinating reporting. Developing human rights due diligence processes. Responsible for providing advice on CoC. • The Business Divisions’ sales and marketing operations including medical affairs: coordinates marketing communication. Confirms its compliance with national and transnational regulations. • The Group’s Procurement and Quality Assurance organisations: responsible for following up and monitoring suppliers’ ability to meet our requirements. 	
GRIEVANCE MECHANISMS	Process for reporting misconduct. All reports are investigated and if appropriate, case-specific measures will be taken to stop activities violating our policies.	
EVALUATION OF MANAGEMENT APPROACH	Monitoring compliance with legal and regulatory matters, internal guidelines, and human rights principles, according to our corporate governance practices. Supply chain risks managed and monitored through due diligence practices.	



Reporting principles and key figures

The Orion Sustainability Report 2023 includes information about Orion's sustainability performance and major milestones during 2023. The report refers to the Global Reporting Initiative (GRI) Standards. GRI content index and sustainability key figures are located at the end of the report.

[▶ READ MORE](#)

Reporting principles and key figures

Orion has reported on its sustainability performance since 2009. In addition, non-financial information has been included in Orion's Financial Statements documents since 2017. A materiality analysis conducted in 2023 is the basis for defining our reporting Scope and indicators. Materiality is assessed continuously based on stakeholder feedback from several channels and modes of interaction.

Orion Corporation has reported in accordance with the GRI Standards for the period 1.1.-31.12.2023. Supporting the material GRI indicators, we have also established some Orion-specific indicators that reflect our practices and processes to ensure the quality of our products and their safety for patients.

The reports contents, material topics and topic boundaries, have been defined in accordance with the GRI 101 Foundation standard and principles for defining report content. A list of material topics can be found on the GRI content index in this report on pages [77–84](#).

The materiality, principles and boundaries used in this report, as well as the key stakeholder groups, have been confirmed by Orion's Executive Management Board, which also approves this report for publication.

The Scope of our reporting

Entities included in the organisation's sustainability reporting

Our sustainability report principally covers Group-wide operations. The data represents all our operational locations and is reported according to the Group structure. A list of Orion Group entities can be found on page 91 of the Financial Statement Documents 2023. Data is consolidated on the Group level. Reporting is conducted according to materiality principles and therefore insignificant units may be excluded from reporting if there is no material impact on the Group-level figures.

Orion is still in the process of integrating V.M.D. NV ("VMD"), acquired in June 2022, into Orion's sustainability policies and risk management practices. Therefore, the entities included in Orion's sustainability reporting deviates from the Financial Statements Documents 2023 when it comes to the VMD units. The integration will continue during 2024 and once completed, Orion will include the VMD business units in its sustainability reporting indicators and results. This will include a description of the VMD business units impact on Orion Corporation's value chain and business relationships. The new business units have been partially included in the

2023 reporting indicators and this is described on an indicator-by-indicator basis and the new units are referred to as VMD units.

Environmental management data, except for energy and greenhouse gas emissions from Orion's operations and value chain (Scope 1, 2 and 3) data, only includes Orion's sites in Finland. Energy and greenhouse gas emissions (Scope 1, 2 and 3) data also includes VMD production units in France and Belgium. Other operational units outside of Finland are primarily marketing or liaison offices that market our pharmaceutical products and operate in leased offices. Greenhouse gas emissions from Orion's operations (Scope 1 and 2) and value chain (Scope 3) are reported according to the GHG Protocol.

Personnel data covers the entire Orion Group. Selected occupational health data includes only employees located in Finland.

The data on Orion-specific topics covers the entire Orion Group with the exception of the VMD units, which are under an integration process as described above.

Reporting period, frequency and contact point

Our sustainability reporting is published annually, and the reporting period is 1 January 2023 to 31 December 2023, unless otherwise specified, and this is aligned with the reporting period of Orion Corporation's financial reporting. The previous fiscal year's figures are shown in brackets for selected indicators. The Orion Group Sustainability Report 2023 is published on 25.04.2024.

The contact point for questions about the report:

Orion Corporation
Orionintie 1, P.O. Box 65
FI-02101 Espoo, Finland
Phone: +358 10 4261

www.orion.fi/en

GRI content index

STATEMENT OF USE	Orion Corporation has reported in accordance with the GRI Standards for the period 1.1–31.12.2023.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	n/a

Abbreviations: Sustainability Report 2023 = SR, Corporate Governance Statement 2023 = CG, Financial Statement documents 2023 = FS, Remuneration Report 2023 = RR

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S)			COMMENTS	ASSURANCE
			OMITTED	REASON	EXPLANATION		
GENERAL DISCLOSURES							
GRI 2: General Disclosures 2021	2-1 Organizational details	See comments. For countries of operations, see SR 5 .				Orion Corporation is a public company and its shares are listed on the Nasdaq Helsinki. Orion's headquarters is located at Orionintie 1 FI-02200 Espoo, Finland.	
	2-2 Entities included in the organisation's sustainability reporting	SR 76					
	2-3 Reporting period, frequency and contact point	SR 76					
	2-4 Restatements of information	See comments. SR 87				Restatements of information are described indicator-by-indicator basis alongside with the reported information.	
	2-5 External assurance	SR 89					
	2-6 Activities, value chain and other business relationships	SR 4–5, 68–69, 76					
	2-7 Employees	SR 52					
	2-8 Workers who are not employees	See comments				In addition to Orion's own employees, agency workers are working in Orion's operations. Agency workers are mainly working as sales representatives and some as office employees. In 2023, there were 104 agency workers working in Orion's operations globally. Reporting includes agency workers and is based on worker headcount at Dec 31.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED			COMMENTS	ASSURANCE
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	CG 5–7, 9–15 SR 61	2-9-c-vi; 2-9-c-vii	Information unavailable/ incomplete	Information is not collected. All personal data is collected within according to the local legislation.		
	2-10 Nomination and selection of the highest governance body	CG 5–6					
	2-11 Chair of the highest governance body	CG 9				Chairman of the Board of Directors is not a senior executive of Orion Corporation.	
	2-12 Role of the highest governance body in overseeing the management of impacts	SR 17, 20–21 CG 5–6				Stakeholder engagement is partially delegated to the organisation.	
	2-13 Delegation of responsibility for managing impacts	SR 17					
	2-14 Role of the highest governance body in sustainability reporting	SR 17					
	2-15 Conflicts of interest	CG 9–10 , Compliance risks on corporate website , Risks and internal controls on corporate website				Orion Corporation follows the rules laid out in the applicable laws and regulations (inter alia, the Finnish Corporate Governance Code) on disclosing conflicts of interests. Cross-board memberships are reported in Board of Directors’ resumés in Orion Corporation’s website.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION				COMMENTS	ASSURANCE
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	SR 66–67 FS 30	2-16-b	Not applicable	Orion Corporation follows the rules laid out in the applicable laws and regulations (inter alia, in the Finnish Companies Act, the EU Market Abuse Regulation and the Finnish Corporate Governance Code) on disclosing critical concerns to the highest governance body and on external disclosures regarding both its corporate governance and the disclosure obligation on the securities markets. See also FS 30 for the number of human rights related violations reported through the whistleblowing channel.		
	2-17 Collective knowledge of the highest governance body	SR 17				Sustainability topics are regularly discussed in the Board of Directors and committees' meetings.	
	2-18 Evaluation of the performance of the highest governance body	CG 9–11					
	2-19 Remuneration policies	RR 4–5 , Remuneration on corporate website	2-19-a-ii; 2-19-a-v	Not applicable	Sign-on bonuses or recruitment incentive payments are not used. Senior executives have no supplementary pension arrangements as on 31 Dec 2022.		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED			COMMENTS	ASSURANCE
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	CG 5 ; Remuneration Policy ; AGM				Results of votes of stakeholders (incl. shareholders) on remuneration policies, reports and proposals of remuneration of the Board of Directors are reported at AGMs, if applicable.	
	2-21 Annual total compensation ratio	RR 5–6	2-21-a; 2-21-b; 2-21-c	Information unavailable/ incomplete	The development of the President and CEO's as well as Orion employees' average remuneration incl. salary and performance-based bonuses reported as per Finnish Corporate Governance Code.		
	2-22 Statement on sustainable development strategy	SR 6–7					
	2-23 Policy commitments	SR 66–67 ; FS 22, 29 ; CG 19–21 ; Risks and internal controls in corporate website , Code of Conduct ; Third Party Code of Conduct					
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	SR 66–68 ; FS 22, 29					
	2-25 Processes to remediate negative impacts	SR 66–69 ; FS 22–23, 29–30					
	2-26 Mechanisms for seeking advice and raising concerns	SR 66–69 ; FS 22–23, 29–30					
	2-27 Compliance with laws and regulations	SR 66–67					
	2-28 Membership associations	SR 22					
	2-29 Approach to stakeholder engagement	SR 20–21					
	2-30 Collective bargaining agreements	SR 53					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED			COMMENTS	ASSURANCE
			REASON	EXPLANATION			
MATERIAL TOPICS							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR 15–16, 76					
	3-2 List of material topics	SR 31, 48, 63, 74					
Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	FS 29–30; SR 66–67					
GRI 205: Anti- corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	FS 29–30; SR 66					
Materials							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 42–43					
GRI 301: Materials 2016	301-1 Materials used by weight or volume	SR 86					
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 34–35, 48; FS 22–23					x
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	SR 86					x
	302-4 Reduction of energy consumption	SR 86					x
Water and effluents							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 44–48					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	SR 44–45					
	303-2 Management of water discharge-related impacts	SR 44–45					
	303-3 Water withdrawal	SR 44, 86					
	303-4 Water discharge	SR 44, 86					
	303-5 Water consumption	SR 44, 86					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED			COMMENTS	ASSURANCE
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 34–35, 48 ; FS 22–23					x
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR 87					x
	305-2 Energy indirect (Scope 2) GHG emissions	SR 87					x
	305-3 Other indirect (Scope 3) GHG emissions	SR 87					x
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	SR 87				Reporting incl. VOC emissions.	
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 45–48					x
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	SR 38–39, 45–47					x
	306-2 Management of significant waste-related impacts	SR 38–39, 45–47					x
	306-3 Waste generated	SR 46, 86					x
	306-4 Waste diverted from disposal	SR 46				Onsite waste not within assurance scope.	x
	306-5 Waste directed to disposal	SR 46				Onsite waste not within assurance scope.	x
Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 68–69, 74					x
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	SR 68				Screening covers all active packaging material, raw material and product suppliers.	x

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED			COMMENTS	ASSURANCE
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 52–56, 63					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR 54					
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 57–58, 63					x
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR 57–58					x
	403-2 Hazard identification, risk assessment, and incident investigation	SR 57–58					x
	403-3 Occupational health services	SR 51–52					x
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR 57–58					x
	403-5 Worker training on occupational health and safety	SR 57–58					x
	403-6 Promotion of worker health	SR 51–52, 57–58					x
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 57, 68					x
	403-9 Work-related injuries	SR 58–59				Number of injuries and rate of contractors not within assurance scope.	x
Training and education							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 54–56					
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	SR 51, 54–56					

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED			COMMENTS	ASSURANCE
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Diversity and equal opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 60 , CG 11					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR 61					
Supplier social assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	SR 68–69 , 74					x
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	SR 68				Screening covers all active packaging material, raw material and product suppliers.	x
Orion specific topics							
Own indicator	Pharmaceutical product availability in Finland	SR 85					x
Own indicator	GxP audits undertaken by Orion	FS 31 , SR 85					x
Own indicator	GxP audit/inspections of Orion's operations	FS 31 , SR 85					x
Own indicator	Product recalls	SR 85					x
Own indicator	Hazardous waste per total waste	SR 86					x
Own indicator	Absence rate due to illness	FS 29 , SR 51					x
Own indicator	Code of Conduct training	FS 30 , SR 66					x
Own indicator	Anti-corruption and anti-bribery training	FS 30 , SR 66					x
Own indicator	Human rights violations in our own operations reported in the whistleblowing channel	FS 30 , SR 70					
Own indicator	Active packaging material, raw material and product suppliers confirmed adherence to Third Party Code of Conduct	SR 85					x
Own indicator	Sustainability audits to suppliers	SR 85					x

Key figures

PATIENT SAFETY AS A TOP PRIORITY	2021	2022	2023
Product recalls total, pcs	12	6	5
Product recalls, medicinal products, pcs	8	4	4
Class 1 (Critical)	0	0	0
Class 2 (Major)	1	0	1
Class 3 (Minor)	7	4	3
Product recalls, non-medicinal products, pcs	4	2	1
Number of GxP inspections/audits conducted to Orion's operations¹	43	63	78
Inspections by authorities	11	12	15
Audits by collaboration partners	32	51	63
Critical observations in authority inspections	0	0	0
Non-compliances from authority inspections	0	0	0
Number of GxP audits undertaken by Orion¹	256	281	248
Critical observations	7	1	4
Rejections	3	1	2
Number of customer complaints about the Pharmaceutical business (ppm²)	65	60	59
Pharmaceutical product availability in Finland	98	97	95

¹ Inspections and audits of Good Practices (GxP) and ISO 13485 audits. ISO 13485 audits included from 2021 onwards.

² ppm = parts per million packages sold.

ETHICS AT THE CORE OF OUR BUSINESS	2021	2022	2023
Code of Conduct training, number of participants ^{1,2}	653	682	460
Anti-corruption and anti-bribery training, number of participants ^{1,3}	532	1,800	348
Active packaging material, raw material and product suppliers confirmed adherence to Third Party CoC, %	92	97	99.7
Sustainability audits to suppliers, pcs	20	27	11
Critical observations	0	0	1

¹ Participants in training: all individuals who completed the training in the course of the year, incl. those in part-time, temporary and past employment.

² VMD employees are included to training participants as of 2022.

³ VMD employees are included to training participants as of 2023.

FINANCIAL PERFORMANCE	2021	2022	2023
Net sales, EUR million	1,041.0	1,340.6	1,189.7
Operating profit, EUR million	243.3	439.6	274.9
% of net sales	23.4%	32.8%	23.1%
Profit before taxes, EUR million	242.3	440.3	271.9
% of net sales	23.3%	32.8%	22.9%
Income tax expense, EUR million	48.5	90.8	55.1
R&D expenses, EUR million	117.7	135.8	126.9
% of net sales	11.3%	10.1%	10.7%
Capital expenditure, EUR million ¹	85.4	109.6	92.7
% of net sales	8.2%	8.2%	7.8%
Assets total, EUR million	1,114.0	1,503.6	1,438.6
Equity ratio, %	68.1%	60.9%	62.3%
ROCE (before taxes), %	28.8%	45.1%	25.3%
ROE (after taxes), %	26.2%	42.2%	24.1%
Personnel expenses, EUR million	231.0	263.9	273.0

¹ Excluding acquired in business combinations.

ACTIVE WORK FOR A BETTER ENVIRONMENT	2021	2022	2023
Production volumes by type of product total, tonnes	2,088	2,249	2,433
Tablets	860	895	966
Injection products	42	38	27
Gels and ointments	822	905	1,009
Liquid preparations	154	211	249
Active pharmaceutical ingredients, API	210	201	181
Use of materials total, tonnes	16,445	15,786	16,239
Hazardous chemicals (excl. solvents)	3,387	2,498	2,629
Non-hazardous chemicals	1,953	1,165	1,295
Virgin solvents	4,889	5,189	5,412
Regenerated solvents	2,174	2,113	1,766
Packaging materials	4,042	4,821	5,136
Share of recycled materials (recycled solvents) of total materials	17%	13%	11%
Waste tonnes offsite, total¹	19,999	15,715	16,528
Hazardous waste tonnes (offsite)	13,687	13,096	13,247
Hazardous waste per total waste (offsite), %	68%	83%	80%
Water withdrawal and consumption total, 1,000 m³:	266	259	259
Orion Corporation	197	192	188
Fermion Oy	70	67	71

¹ Total generated waste (incl. waste diverted & disposed) that is directed offsite. Figure includes both process waste and construction waste.

ACTIVE WORK FOR A BETTER ENVIRONMENT	2021	2022	2023
Wastewater discharges			
Volume, m ³	267,888	254,061	256,160
BOD, tonnes	499	437	524
COD, tonnes	683	689	765
TSS, tonnes	16	12	18
Nitrogen, tonnes	13	14	13
Phosphorous, tonnes	0.6	0.7	0.7
Energy consumption total, MWh^{1,2}	156,707	154,832	159,242
Direct energy consumption total, MWh	16,197	17,709	20,201
Light Fuel Oil	495	711	472
Natural Gas	15,701	16,959	19,650
Company-owned Solar farm	0	39	78
Indirect energy consumption total, MWh	140,510	137,123	139,041
District heat	43,535	43,395	40,615
Steam	29,239	23,632	23,887
Electricity	67,735	70,096	74,539
Fuel consumption from non-renewable sources total, MJ	-	-	72,439,200
Fuel consumption from renewable sources total, MJ	-	-	0
Energy consumption by reporting unit, MWh¹			
Orion Corporation	108,008	105,066	104,236
Fermion Oy	48,699	46,994	47,687
Inovet	N/A	2,772	7,319
Energy savings, MWh^{1,3}	7,349	858	11,459
Electricity	-1,085	508	-7,041
Heat	8,434	200	18,500
Fuels	0	150	0
Energy efficiency target achieved ⁴	N/A	60%	108%

¹ VMD production plants in France and Belgium are included to the figures as of July 2022.

² Orion Group's properties that do not contribute significantly to the total and have no production operations, such as rented offices, are excluded from reporting.

³ Energy savings are estimates calculated in compliance with the guidelines of the Energy Authority.

⁴ The energy efficiency target is 15% improvement in energy efficiency by the end of 2025 (baseline 2016).

ACTIVE WORK FOR A BETTER ENVIRONMENT

	2021	2022	2023
CO₂e emissions total, tonnes	269,868	291,599	431,404
Scope 1, direct emissions ^{1,2}	4,403	5,110	5,511
Scope 2, indirect emissions (market-based) ^{1,2}	10,155	11,544	8,429
Scope 2, indirect emissions (location-based) ^{1,2}	20,038	18,936	11,726
Scope 3: ³	255,310	274,945	417,464
Raw materials, active pharmaceutical ingredients, packaging (purchased goods and services)	168,510	170,280	301,060
Investments in our production facilities (capital goods)	14,920	16,690	20,010
Fuel and energy – related activities	3,470	3,910	4,280
Upstream transportation and distribution	23,800	38,060	38,640
Waste generated in operations	13,300	15,230	18,580
Business travel	170	660	870
Employee commuting	2,610	2,550	3,340
Upstream leased assets		55	14
Downstream transportation and distribution	18,750	20,970	22,730
Processing of sold products	1,460	760	760
Use of sold products	5,260	1,210	1,290
End-of-life treatment of sold products	440	4,080	5,360
Downstream leased assets	2,620	490	530
Other significant air emissions, tonnes			
Volatile organic compounds (VOC)	75	46	74
Environmental expenditures and investments total, EUR 1,000:	10,702	9,876	12,431
Environmental investments	3,412	2,303	4,596
Environmental protection expenses	7,290	7,573	7,835

¹ VMD production plants in France and Belgium are included to the figures as of July 2022.

² The consolidation approach for emissions is financial control.

³ VMD production plants in France and Belgium are included to the figures as of 2023.

Scope 1: Emission factors from Statistics Finland, DEFRA, ADEME and suppliers.

Scope 2 (market-based): CO₂ emissions only, no equivalents from other possible greenhouse gas emissions calculated. Emission factors from energy suppliers and ADAME. 2021 and 2022 figures restated due to refinement of the calculation of the emission factor.

Scope 2 (location-based): CO₂ emissions only, no equivalents from other possible greenhouse gas emissions calculated. Emission factors from service provider, ADAME and VREG.

Scope 3:

Purchased goods and services: Emissions calculated based on spend and volume. Emissions factors from DEFRA, HSY, GHG Protocol and country specific proxy factors based on own operations.

Capital goods: Emissions calculated based on spend. Emission factors from DEFRA.

Fuel and energy – related activities: Emissions calculated based on fuel and energy usage. Emission factors from DEFRA and SYKE. In 2021 and 2022 figures only operations in Finland included and in 2023 figures only operations in Finland, France and Belgium included.

Upstream transportation and distribution: Emission information provided by suppliers and calculated based on spend. Spend based emission factors from DEFRA. Orion's and Fermion's emissions from 12/2023 estimated based on 12/2022. 2022 figures restated due to the refinement of the calculation method.

Waste generated in operations: Emission information provided by supplier and calculated based on volume. Volume based emission factors from HSY. Only operations in Finland are included.

Business travel: Reporting 2021 incl. CO₂ emissions only, no equivalents from other possible greenhouse gas emissions calculated. Emission information provided by supplier. Includes only air travel and covers over 80% of employees.

Employee commuting: Emissions calculated based on employee survey. 2021 and 2022 figures only consider operations in Finland and 2023 figures only considers operations in Finland, Belgium and France, remote work is not considered.

Downstream transportation and distribution: Emissions calculated based on volume. Emission factors from DEFRA. Only direct use included. 2022 figures restated due to refinement of the calculation method.

Processing of sold products: Emissions calculated based on volume. Emission factors are proxy factors based on own operations.

Use of sold products: Emissions calculated based on volume. Emission factors from DEFRA. Only direct use included.

End-of-life treatment of sold products: Emissions calculated based on volume. Emission factors are proxy factors based on own operations.

Downstream leased assets: CO₂ emissions only, no equivalents from other possible greenhouse gas emissions calculated. Emission information provided by supplier. Only operations in Finland. 2022 figures restated refinement of the calculation method.

All Scope 3 emissions categories are calculated as CO₂e unless otherwise stated.

CARE FOR WELL-BEING PROFESSIONALS	2021	2022	2023
Absenteeism due to illness, hours ¹	153,459	206,381	177,327
Absentee rate due to illness ^{1,2}	3.1%	4.1%	3.5%
Absenteeism due to injuries, hours ¹	3,040	4,448	5,360
Work time lost due to absenteeism, hours ¹	156,499	210,829	182,687
Absentee rate, all absences ¹	3.1%	4.2%	3.6%
Theoretical working hours ¹	4,968,424	5,006,753	5,101,529
Lost time incident frequency, LTIF 1 ³	4.8	3.7	4.8
Working hours ^{3,4}	4,142,821	5,453,750.0	5,809,579.0
Target injury frequency rate LTIF 1	3.0	3.0	2.9
Injuries, total⁵	47	52	100
Workplace injuries causing absence of 3 or more days	14	15	21
Workplace injuries causing absence of less than 3 days	6	2	7
Workplace injuries causing absence, total	20	17	28
Workplace injuries causing no absence	6	10	36
Workplace injuries, total	26	27	64
Commuting injuries	21	25	36
Fatalities	0	0	0
Safety observations ⁶	2,427	2,871	2,430

¹ Reporting covers Orion Group employees in Finland.

² Hours of absence due to illness as percentage of total theoretical working hours of Company personnel.

³ VMD employees in production sites in France and Belgium are included as of July 2022. 2021 reporting covers Orion Group operations in Finland.

⁴ For operations in Finland and in production sites in France and Belgium actual working hours are used. For Orion Pharma subsidiaries in Europe and Asia-Pacific estimated working hours are used.

⁵ VMD production plants are included in figures as of 2023. 2022 reporting covers Orion Group operations, excl. VMD units. 2021 reporting covers Orion Group operations in Finland.

⁶ Reporting covers Orion Group operations, excl. VMD units.

CARE FOR WELL-BEING PROFESSIONALS	2021	2022	2023
Personnel at 31 Dec ¹	3,355	3,337	3,632
Average personnel during the year ¹	3,364	3,361	3,599
Number of employees by region at 31 Dec¹	3,355	3,337	3,632
Finland	2,617	2,648	2,727
Other Nordic countries	80	76	79
Germany	106	108	106
UK and Ireland	53	56	52
Russia	79	34	2
India	149	143	149
Other countries	271	272	517
Employees outside Finland total	738	689	905
Number of employees by reporting unit at 31 Dec¹	3,355	3,337	3,632
Orion Corporation	2,266	2,286	2,357
Fermion Oy	374	381	391
Foreign subsidiaries	715	670	884
Number of employees by employee category at 31 Dec¹	3,355	3,337	3,632
Employees	733	756	852
Salaried employees	1,241	1,181	1,277
Senior salaried employees	1,381	1,400	1,503
Average duration of employment, years ¹	11.4	11.5	11.14

¹ Full-time equivalent.

Independent practitioner's limited assurance report

To the Management of Orion Corporation

We have been engaged by the Management of Orion Corporation (hereinafter also the "Company") to perform a limited assurance engagement on selected sustainability information for the reporting period from 1 January 2023 to 31 December 2023, disclosed in Orion Oyj's Sustainability Report 2023 on the Company's website (hereinafter the Selected sustainability information).

Selected sustainability information

The selected sustainability information within the scope of assurance covers:

- 3-3 Management of material topics
- 302-1 Energy consumption within the organization
- 302-4 Reduction of energy consumption (incl Energy Efficiency Programme targets achieved)
- 305-1 Direct (scope 1) GHG emissions
- 305-2 Energy indirect (scope 2) GHG emissions
- 305-3 Other indirect (scope 3) GHG emissions
- 306-1 Waste generation and significant waste-related impacts
- 306-2 Management of significant waste related impacts
- 306-3 Waste generated SR
- 306-4 Waste diverted from disposal
- 306-5 Waste directed to disposal

- 308-1 New suppliers that were screened using environmental criteria
- 403-1 Occupational health and safety management system
- 403-2 Hazard identification, risk assessment, and incident investigation
- 403-3 Occupational health services
- 403-4 Worker participation, consultation, and communication on occupational health and safety
- 403-5 Worker training on occupational health and safety
- 403-6 Promotion of worker health
- 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
- 403-9 Work-related injuries (including LTIF)
- 414-1 New suppliers that were screened using social criteria
- Own indicator Pharmaceutical product availability in Finland
- Own indicator GxP audits undertaken by Orion
- Own indicator GxP audit/inspections of Orion's operations
- Own indicator Product recalls
- Own indicator Hazardous waste per total waste
- Own indicator Absence due to illness
- Own indicator Code of Conduct training
- Own indicator Anti-corruption and anti-bribery training

- Own indicator Active packaging material, raw material and product suppliers confirmed adherence to Third Party Code of Conduct
- Own indicator Sustainability audits to suppliers
- Own indicator Reliable supply of products (global)
- Own indicator Number of customer complaints about the Pharmaceutical business (ppm)
- Own indicator Pharmaceutical products availability in Finland (%)

Management's responsibility

The Management of Orion Corporation is responsible for preparing the Selected sustainability information in accordance with the Reporting criteria as set out in Orion Oyj reporting instructions (described in Orion Oyj's Sustainability Report 2023), and the GRI Standards of the Global Reporting Initiative (collectively Reporting criteria). The Management of Orion Corporation is also responsible for such internal control as the management determines is necessary to enable the preparation of the Selected sustainability information that is free from material misstatement, whether due to fraud or error.

Practitioner's independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International

Ethics Standards Board for Accountants (IESBA code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers Oy applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the Selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410 "Assurance Engagements on Greenhouse Gas Statements". These standards require that we plan and perform the engagement to obtain limited assurance about whether the Selected sustainability information is free from material misstatement.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other information in the Selected sustainability information. The procedures selected depend on the practitioner's judgment, including an assessment of the risks of material misstatement of the Selected sustainability information.

Our work consisted of, amongst others, the following procedures:

- Interviewing senior management of the Company.
- Visiting the Company's two sites in Finland.
- Interviewing employees responsible for collecting and reporting the Selected information at the Group level.
- Assessing how Group employees apply the reporting instructions and procedures of the Company.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.
- Considering the disclosure and presentation of the Selected sustainability information.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Orion Corporation's Selected sustainability information for the reporting period ended 31 December 2023 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our limited assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Orion Corporation for our work, for this report, or for the conclusion that we have reached.

Helsinki 24 April 2023

PricewaterhouseCoopers Oy

Mikael Niskala
Partner
Sustainability Reporting & Assurance

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