



Building well-being

ORION GROUP

Sustainability Report 2020



ORION TODAY...3

- This is Orion...4
- CEO's review...6
- Our year of sustainability...7
- Covid-19 response...8

OUR APPROACH...9

- Sustainability at Orion...10
- Materiality assessment...10
- Values and principles...12
- Product lifecycle management...14
- Corporate responsibility governance...16
- Stakeholder interaction...17
- Targets and performance...19

PATIENT SAFETY AND SUPPLY...20

- Patient safety and supply 2020...21
- Quality management system...22
- Preventing counterfeit medicines...24
- Reliable supply...25
- Sustainability case: Ensuring availability and quality...26
- Management of patient safety...27

ENVIRONMENT

Utilising waste ethanol to reduce the nitrogen load in the Baltic Sea

[▶ READ MORE](#)

PATIENT SAFETY AND SUPPLY

Ensuring availability and quality during the coronavirus pandemic

[▶ READ MORE](#)



ORIONEES

The Pulse Survey aims to develop Orion's employee experience

[▶ READ MORE](#)

ENVIRONMENT...28

- Environment 2020...29
- Pharmaceuticals in the environment...30
- Proper use of medicine...32
- EHS management...33
- Materials...33
- Waste management...34
- Sustainability case: Utilising waste ethanol...36
- Water management...37
- Energy efficiency...37
- Emissions...38
- Environmental investments and incidents...39
- Management of environmental performance...40

ORIONEES...41

- Responsibility for Orionees 2020...42
- Employee well-being...43
- Personnel...44
- Promoting competence development...46
- Sustainability case: The Pulse Survey...48
- Health and safety...49
- EHS guidance and training...50
- Safety performance...51
- Management of HR and occupational health and safety...52

BUSINESS ETHICS AND TRANSPARENCY

We incorporate indirect suppliers to our sustainable procurement process.

[▶ READ MORE](#)

BUSINESS ETHICS AND TRANSPARENCY...53

- Business ethics and transparency 2020...54
- Ethical business practises...55
- Human rights...55
- Sustainability case: Indirect procurement...56
- Sustainable global supply chain management...57
- Communications...58
- Collaboration principles...58
- Economic responsibility...59
- Management of business ethics and transparency...60

REPORTING PRINCIPLES AND KEY FIGURES...61

- Reporting principles...62
- GRI content index...63
- Key figures...68
- Independent assurance report...72



Orion today

Orion is a globally operating Finnish pharmaceutical company – a builder of well-being. We innovate, develop, manufacture, sell and market human and veterinary pharmaceuticals, as well as active pharmaceutical ingredients. We also serve as a contract manufacturer to other pharmaceutical companies.

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This is Orion

Orion is a globally operating Finnish pharmaceutical company – a builder of well-being. We innovate, develop, manufacture, sell and market human and veterinary pharmaceuticals, as well as active pharmaceutical ingredients. We also serve as a contract manufacturer to other pharmaceutical companies.

We are continuously developing new drugs and treatment methods. The core therapy areas of our pharmaceutical R&D are neurological disorders, oncology and respiratory diseases for which Orion develops inhaled pulmonary medication.

Our mission is to build well-being by providing high-quality pharmaceuticals and self-care products that help people take good care of themselves every day. Pharmaceuticals provide patients with help and effective treatment for their illnesses. An effective drug also creates added value for patients by improving their quality of life.

Orion has developed from a shop founded by three pharmacists more than a century ago into an international company that carries out medical research at the highest international level. We are now the leading pharmaceutical company and one of the oldest and most financially sound companies in Finland.

The Group consists of the following businesses:



PROPRIETARY PRODUCTS

Drugs developed in-house and other drugs with product protection



SPECIALTY PRODUCTS

Generic prescription drugs, self-care products and biosimilars



ANIMAL HEALTH

Medicine and well-being products for animals



FERMION & CONTRACT MANUFACTURING

Active pharmaceutical ingredient (API) production for Orion. API and pharmaceutical manufacturing for other companies.

MEUR

1,078
NET SALES

PERSONNEL

3,311

Orion Globally

Orion's business operations in Europe are based on our own sales network, while sales elsewhere in the world are done mainly through partners. During 2020 Orion initiated sales operations in certain Southeast Asian countries. The clinical Phase III REFALS trial, which was completed in July, did not reach its pre-specified endpoints. Therefore, Orion currently has no plans concerning the establishment of commercial operations in the United States.

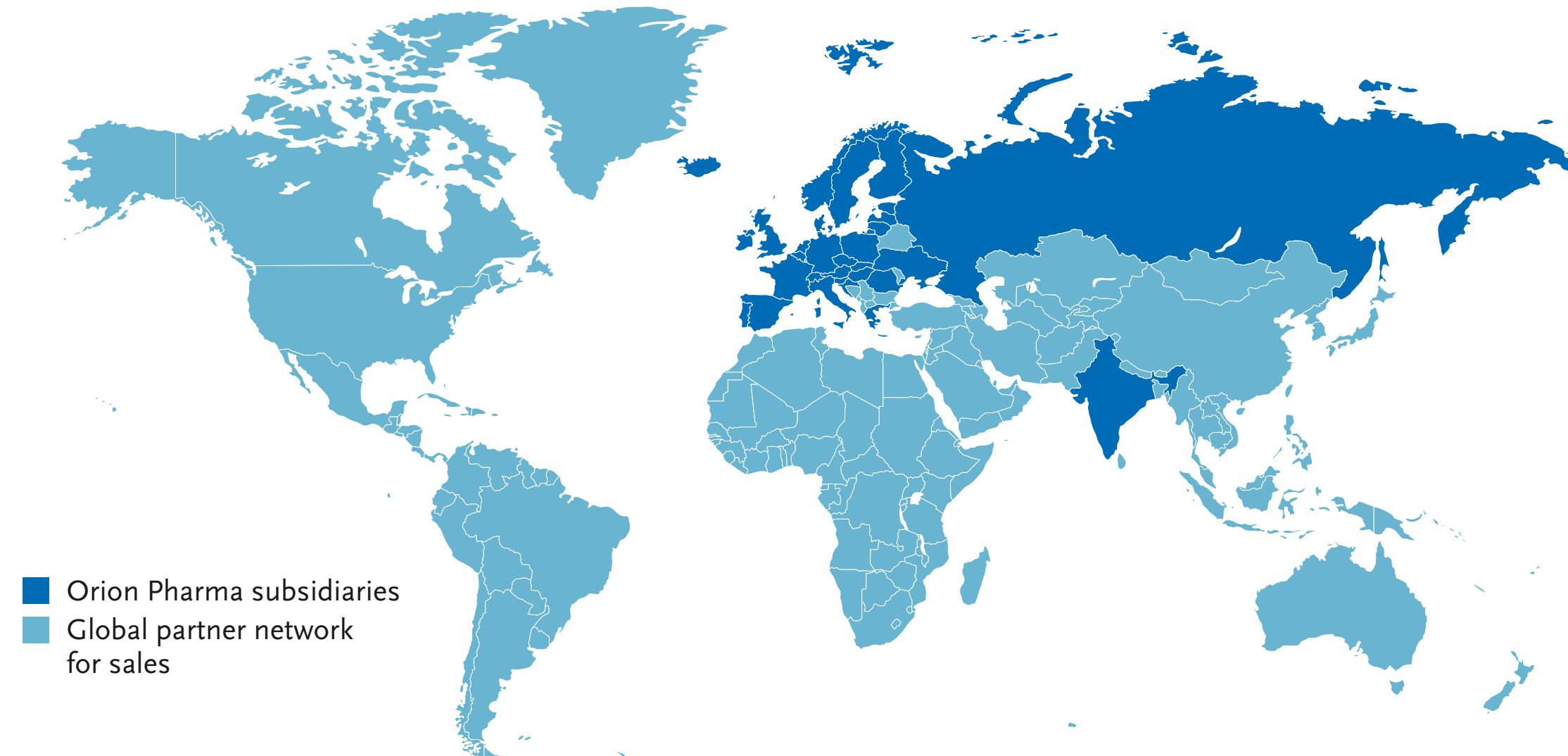
Our production plants and pharmaceutical research centres are located in Finland, and we have a research unit in Nottingham, England. The largest of our sites is in Mankkaa, Espoo, where our head office is located.

Orion's products are available in pharmacies and hospitals in over 100 countries. The Group's net sales in 2020 were EUR 1,078 million.

Our customers include healthcare providers and professionals, patients and 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.

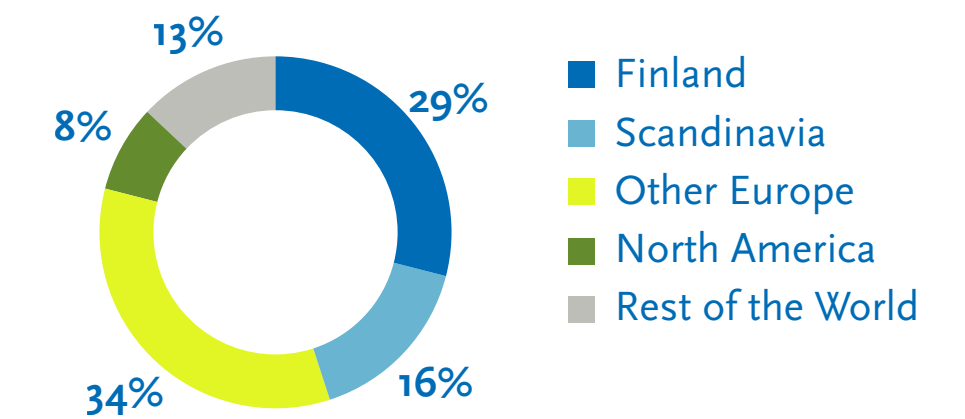
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Operations and sites of the Orion Group:

Finland	Headquarters and administration in Espoo Pharmaceutical manufacturing in Espoo, Turku, Kuopio and Salo Active pharmaceutical ingredient R&D in Espoo, manufacturing in Hanko and Oulu (Fermion) Pharmaceutical R&D centres in Espoo and Turku and R&D function in Kuopio Marketing: Espoo, Turku, Kuopio, Oulu and Tampere
UK	Sales unit in Newbury, England R&D function in Nottingham, England
Europe	Orion Pharma subsidiaries with sales and marketing operations in 26 countries
India	Support functions (incl. R&D function) subsidiary FinOrion Pharma India Pvt. Ltd. in Mumbai
Asia	Orion Pharma subsidiaries with sales and marketing in Singapore, Thailand and Malesia
Rest of the World	Global partner network for sales

Net sales by market area



The Group's net sales in 2020 were EUR 1,078 million.

CEO's Review

2020 was an exceptional and challenging year both globally and for Orion as a company. Our mission to build well-being and our role in ensuring that medications are available to those who need them became more important than ever. The reliable supply of medications and safety of patients and employees was our key focus in the rapidly changing global environment.

Securing operations during the pandemic

Our priority during the year was to secure business continuity in order to ensure the availability of medications to patients who needed them. We took numerous actions to protect the safety of patients and our employees. Different employee groups were in differing positions during the pandemic, as some continued working in production plants and laboratories on-site, while others had to quickly move to remote working. None of these locations proved to be easy from a work-related perspective. That said, all of us found ourselves in a new working environment and I am proud to see how well we strived as a company. The pandemic is not over yet and so we will continue to work in adapted ways and take the necessary precautionary measures. Time will tell which new and innovative ways of working will remain with us in the future.

Continuous improvement in sustainability

As a part of our strategy, we are committed to delivering a continuous improvement in our

performance on sustainability. This commitment was not put on hold due to the pandemic, instead it has become even more important to ensure that our operations are sustainable. We have set the bar high in terms of our group level sustainability targets and have made solid progress in all the key themes in our Sustainability Agenda. Some targets, such as the ones related to energy efficiency, greenhouse gas emissions reductions and occupational safety, are based on long-term activities.

As a part of our three-year strategic development project, 'Sustainability in everything we do', we built our Sustainability Agenda and in 2020 we focused on increasing awareness on sustainability among our employees and other stakeholders. In 2021, which is the final year of the development project, we will put our emphasis on ensuring a commitment to sustainability among our employees and our partners. This will ensure us an even more solid foundation in our efforts to continually improve our sustainability.

Sustainability on the spotlight

The interest towards our sustainability performance is increasing among many stakeholders, and it pushes us forward to reach our targets and to aim even higher. With the greater interest, data integrity is essential. As a result, we initiated third-party assurance of selected sustainability indicators

to ensure reliable and high-quality sustainability performance data.

Orionees are showing growing interest in sustainability and working towards a more sustainable future is seen as a motivator for employees. The renewed Pulse Survey results indicated that we have succeeded in our efforts to integrate sustainability into our daily operations, as 79% of respondents agreed with this statement. A strong performance in sustainability will be an asset for us in attracting future pharmaceutical professionals.

We also take a sustainability perspective throughout the value chain and engage our partners and suppliers on our sustainability journey. By the end of 2020, 98% of our active packaging material, raw material and product suppliers had confirmed adherence to Orion's Third Party Code of Conduct, which sets our minimum sustainability requirements. This is a great achievement in taking sustainability forward in our supply chain. We have also put more emphasis on the management of sustainability in our indirect supplier base and this we will continue to focus on to improve our sustainable business practices.

Committed personnel ensures our success

Our company is a builder of well-being and competent and committed employees are the basis



for our success. The flexibility and commitment of our employees was and remains essential for the resilience of our operations during the COVID-19 pandemic. The value of our mission was highlighted during the pandemic and I believe that this only increased the commitment of Orionees in their daily work. I want to warmly thank all Orionees, our partners and suppliers for their valuable work and efforts during 2020. We will continue to build well-being together, and in a sustainable way.

Timo Lappalainen
President and CEO

Our year of sustainability

YEAR 2020 PROGRESS

- ✓ Continued Sustainability Agenda actions, progress towards key theme targets
- ✓ Strategic development project ‘Sustainability in everything we do’ continued with cross-organisational core team members as sustainability ambassadors
- ✓ Increased internal awareness: Sustainability at Orion e-learning, sustainability-related events
- ✓ Invested in sustainability communications both internally and externally
- ✓ Third-party assurance of selected sustainability indicators
- ✓ Successful roll-out of the sustainable procurement process in indirect procurement

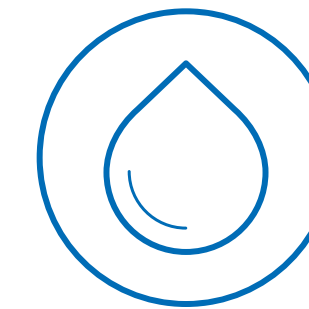
SUSTAINABILITY AGENDA 2020 HIGHLIGHTS



Patient safety and ensuring reliable supply of medications

We implemented a new quality management platform, developed our internal adverse events reporting and launched a reporting app for our personnel.

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Manufacturing products in an environmentally sustainable way

We continued our systematic work to share best practices on environmental management and developed our EHS-reporting process to enable continuous improvement.

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Responsibility for Orionees

We introduced a new Pulse Survey and carried out corrective actions based on survey findings. Skills to care trainings continued in Finland.

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Business ethics and transparency

We launched Code of Conduct (CoC) e-learning to support Orionees adopt the CoC principles.

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WE WILL CONTINUE TO IMPROVE

One of our energy efficiency projects was postponed due to the COVID-19 pandemic. We aim to implement the project during 2021. We expect the results to ensure that we reach our Energy Efficiency Program target.

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We will implement the Skills to care trainings in countries outside Finland to build a strong safety culture throughout our global operations.

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COVID-19 response: our priorities



Strong supplier collaboration to ensure medications availability, including raw materials and drug precursors, externally sourced ready-made products, and logistics.

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Prioritised production of selected critical products to support the treatment of COVID-19 patients and risk groups, when needed.

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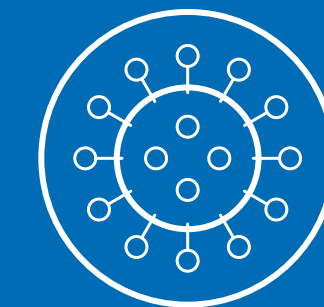
Applying new 'good hygiene' instructions, reducing non-essential contacts and increasing remote work, for example, to secure employee health and safety.

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Specific measures to protect the production and quality control personnel.

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SAFETY FOR ALL

Ensuring patient safety and a reliable supply of medications has been the priority for Orion during the COVID-19 pandemic. The strong spike in demand seen in spring 2020 created production and logistics challenges. However, we prevailed due to our strong commitment and hard work and secured a reliable supply throughout the year.

Another key focus area was to guarantee the safety of our employees.

As the pandemic is ongoing, we will continue to apply the precautionary procedures.

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Our approach

Orion's Sustainability Agenda consists of four key themes: patient safety and ensuring the reliable supply of medications, manufacturing products in an environmentally sustainable way, responsibility for Orionees, and business ethics and transparency.

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Our approach

Sustainability at Orion

We are committed to continuous improvement of our performance in sustainability. Orion's Sustainability Agenda consists of four key themes: patient safety and ensuring the reliable supply of medications, manufacturing products in an environmentally sustainable way, responsibility for Orionees, and business ethics and transparency.

The Sustainability Agenda comprises of defined sustainability commitments, targets, actions, and metrics of the four key themes. It aggregates the comprehensive sustainability work of Orion and sets the guidelines for future work.

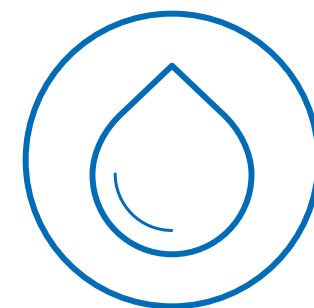
A three-year strategic development project 'Sustainability in everything we do', initiated in 2019, supports our sustainability journey. The development project focuses on defining our Sustainability Agenda, building awareness and ensuring commitment to sustainability among stakeholders.

In 2020, we established a sustainability e-learning available in English and Finnish. The e-learning aims to familiarise Orionees with the concept of sustainability, Orion's Sustainability Agenda and what corporate responsibility means at Orion.

OUR SUSTAINABILITY COMMITMENTS



Patient safety is our key focus and fundamental priority in everything we do. We are committed to ensuring the reliable supply of medications.



We aim for the highest environmental standards in the industry.



We aim for the highest health and safety standards in the industry. We are a responsible employer committed to build well-being and enthusiasm together in the workplace. Orion is a great place to work.



We are committed to high ethical standards and expect the same from our partners. Transparency is the key to maintaining and building trust. We work continuously to improve transparency in our activities.

Materiality assessment

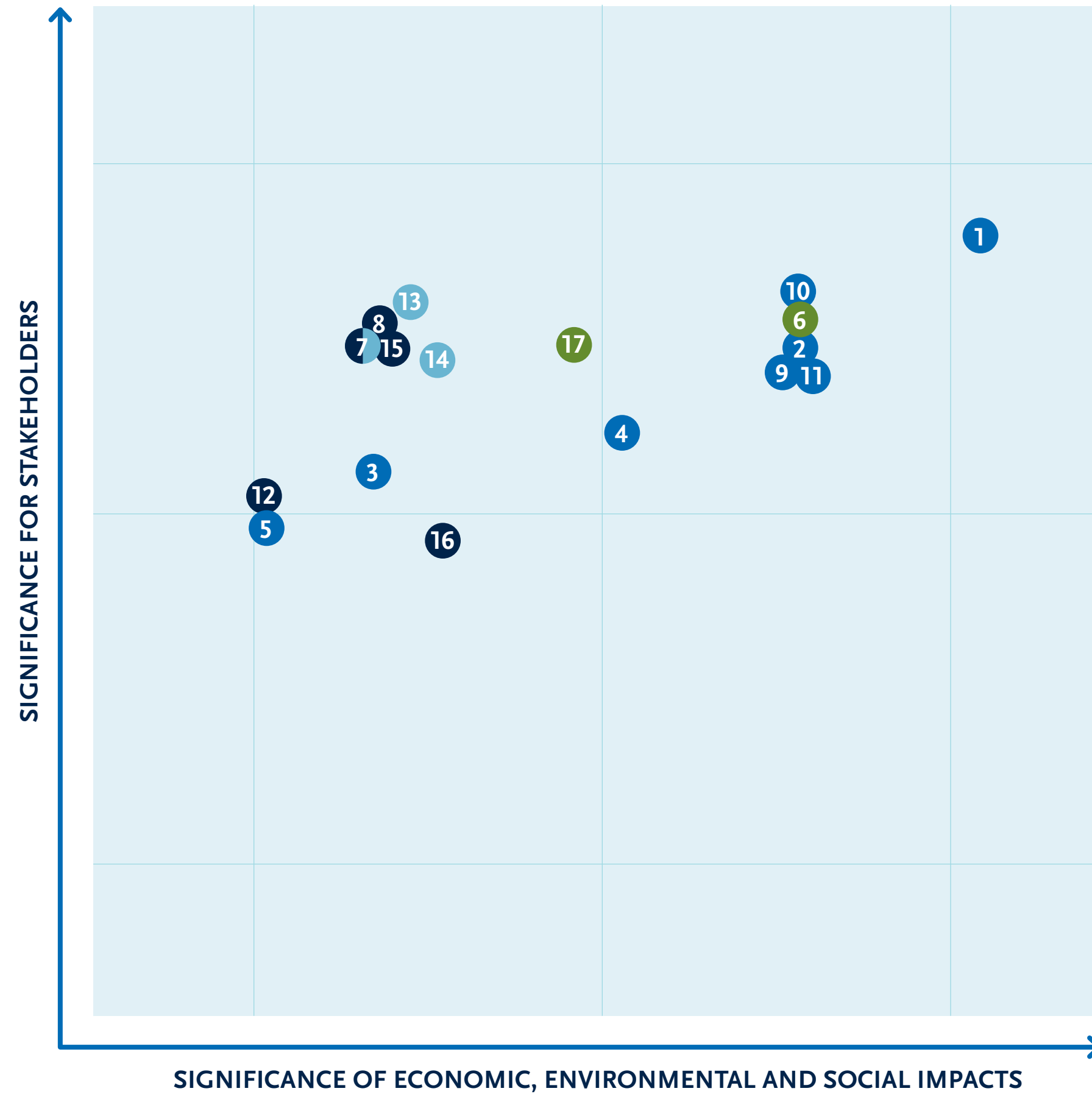
We use materiality analysis as a tool to highlight the most material sustainability topics. It helps us to identify corporate responsibility topics that affect our stakeholders and are particularly relevant for us and our business, today and in the future. Materiality analysis was used as the basis for defining Orion's Sustainability Agenda. Our sustainability reporting is also based on the materiality assessment.

The materiality of our sustainability topics was re-assessed in 2018, with support from external consultants. The assessment consisted of four parts: defining sustainability topics, a stakeholder survey, determining significance of impacts and analysis of results.

Dialogue with our stakeholders is essential, and we wanted to ask our important stakeholders for their viewpoints on the materiality of corporate responsibility topics. We received more than 1,440 replies to the survey from our key stakeholders (i.e. personnel, healthcare professionals, decision-makers, partners, investors and consumers).

According to the materiality analysis, the most material issues for us are patient safety, ensuring a reliable supply of medications and manufacturing products in an environmentally sustainable way. All the issues in the matrix are material but the priority of the topics differ. In the matrix, the vertical axis represents the significance for stakeholders and the horizontal axis represents the significance of Orion's economic, environmental and social impacts.

MATERIALITY ANALYSIS



PATIENT SAFETY AND RELIABLE SUPPLY

- 1 Patient safety is the cornerstone of Orion's corporate responsibility
- 2 We invest in the early research and development of new medicines
- 3 In addition to developing medicines, we take part in developing new treatments
- 4 We develop medicines specifically for national chronic diseases
- 5 We actively develop products and solutions for self-care
- 9 We bring cost-effective medicines to the Finnish market
- 10 We ensure the availability of medicines in unexpected situations
- 11 We educate healthcare professionals about the effects of medicines

ENVIRONMENTALLY SUSTAINABLE MANUFACTURING

- 6 We manufacture medicines in an environmentally sustainable way, taking care of material and energy efficiency and wastewater treatment
- 17 We act to reduce environmental impacts caused by the use of medicine (e.g. packaging, production, logistics, wastewater)

RESPONSIBILITY OF ORIONEES

- 7 We take care of occupational health and safety and human rights in the whole supply chain
- 13 We are a responsible employer and taxpayer
- 14 We invest in the well-being and constant development of our staff

BUSINESS ETHICS AND TRANSPARENCY

- 7 We take care of occupational health and safety and human rights in the whole supply chain
- 8 Our supply chain is transparent and we are open about it: we communicate consistently about both positive and negative matters
- 12 We produce information and take part in social dialogue
- 15 Our marketing and communications are ethical and they are based on facts and research
- 16 Our management systems and our corporate responsibility reports are verified by a third party (e.g. ISO14001, GRI)

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.

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 Executive Management Board, 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. Orion is committed to the principles of codes of practice of the European Federation of Pharmaceutical Industry

Association (EFPIA). Orion is not a member of EFPIA’s central organisation but is a member of a few national associations.

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 memberships in industry associations and advocacy organisations

- Chemical Industry Federation of Finland/ Confederation of Finnish Industries, EK
- International Chamber of Commerce, Finnish Section
- Helsinki Region Chamber of Commerce
- Turku Chamber of Commerce
- Finnish Health Technology Association (FiHTA) / The Federation of Finnish Technology Industries
- The Association for Finnish Work
- Excellence Finland
- CEFIC (European Chemical Industry Council) and its sub-organisation APIC (Active Pharmaceutical Ingredients Committee – Cefic)
- FIBS, sustainability network in Finland
- Pharmaceutical Supply Chain Initiative, PSCI
- AnimalHealthEurope

Our commitments to external initiatives

Orion is a member of the international Responsible Care programme, which is a sustainability programme of the chemical industry. The objective of the programme is to promote operations in line with sustainable development, supported through co-operation in networks and development projects. The results are monitored through indicator data collected annually. The programme has participants in over 60 countries. The Chemical Industry Federation of Finland coordinates the implementation of the programme in Finland.

We are also members of the Finnish Energy Efficiency Agreement for Industries 2017–2025. Under the programme, the savings target for 2025 is 7.5% of energy consumption in 2016, and the intermediate target is 4% for 2020.

We are a member of the Pharmaceutical Supply Chain Initiative (PSCI) and endorse the PSCI Principles, which set standards for suppliers in the areas of ethics, labour, health and safety and environment. PSCI is a group of pharmaceutical and healthcare companies that shares a vision to establish and promote responsible practices that will continuously improve social, health, safety and environmental sustainable outcomes across the industry.

External recognitions

For several years, Orion Corporation has featured in sustainability indexes of companies listed on the Nasdaq Helsinki stock exchange (OMX Sustainability Finland GI, OMX Sustainability Finland PI, OMX Sustainability Finland Cap GI and OMX Sustainability Finland Cap PI).

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 2020 Orion received ratings B for Climate Change and B- for Water Security on a scale of A to D-.



FTSE4Good



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, to 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 Code of Conduct and Supplier Sustainability Requirements, 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 ethical business practices, labour, health and safety, environment and management systems related to these.

Product manufacturing (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.

We are also committed to reaching the energy savings target for 2025, which is 7.5% of energy consumption in 2016. This means a saving of slightly over 12 GWh. We are committed to cutting our scope 1 and 2 greenhouse gas emissions according to IPCC recommendations. This means reductions of 75% by the year 2025, using 2016 as the reference year.

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 minimise waste through package design, and optimise shelf life, package sizes and material flows. Optimising shelf life is of particular importance to ensure that all the resources needed in manufacturing, packaging and transportation are not wasted.

Safety is also an important aspect in packaging. Packaging plays an important role in protecting our products. Packaging includes several safety measures: serialisation and anti-tampering features to improve safety and traceability even further.

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

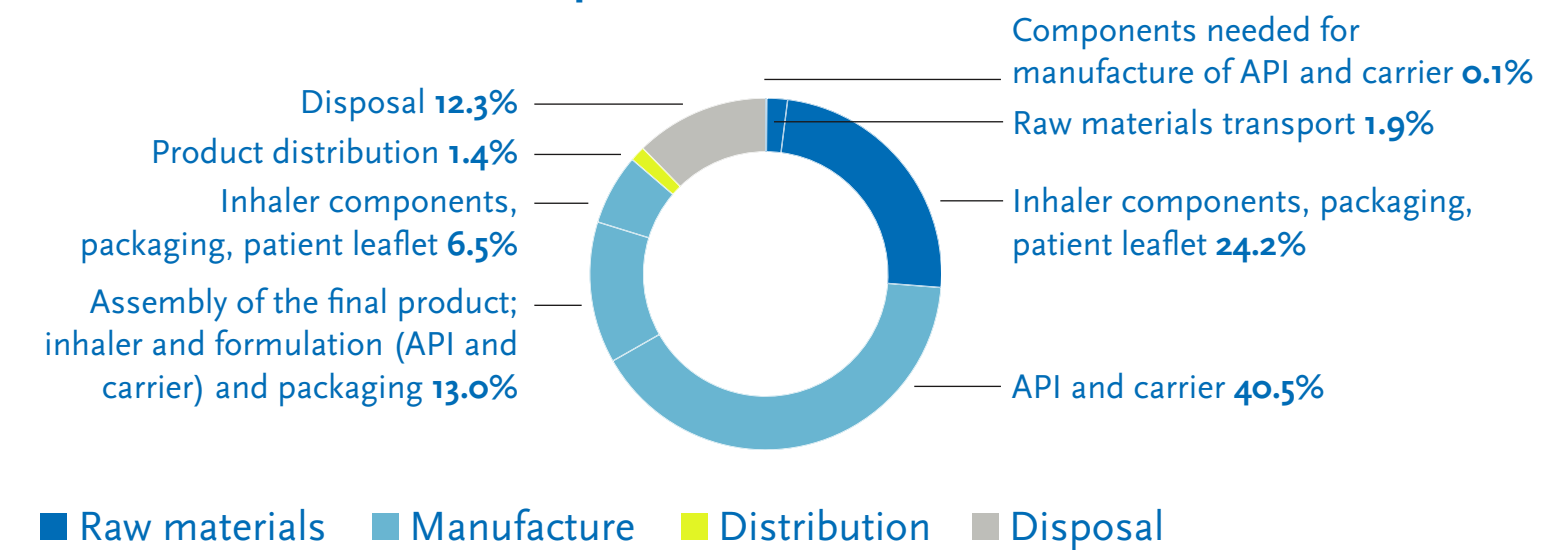
We conduct continuous safety monitoring, collect customer feedback and carry out benefit-risk evaluations throughout the entire lifespan of a product.

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 webpages. 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.

Product environmental impact



Based on a carbon footprint and a cradle-to-grave life cycle assessment conducted for four different Easyhaler products. Carbon footprint for one Easyhaler = 0.588 kg CO₂e
API: Active Pharmaceutical Ingredient

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 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 beside.

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



ORION'S STAKEHOLDER INTERACTION

STAKEHOLDER GROUP

PATIENTS AND CONSUMERS



EXPECTATIONS

- Effective, safe and high-quality products, which are cost-effective
- Reliable supply
- Product information and guidance to appropriate usage
- Improved usability
- Recyclable packaging materials

ENGAGEMENT CHANNELS

- Digital information channels and non-digital forms
- Product information, adverse events and quality information channels
- Orion call center
- Consumer studies and clinical studies

ACTIONS

- Development of new medications
- Development of new features and instructions for existing products
- Supply chain management to ensure reliable supply
- Development of our operations based on customer feedback
- Prioritising production of critical products during COVID-19

CUSTOMERS AND PARTNER SALES



- Good and sustainable business relationships
- Safe, high-quality and cost-efficient products
- Reliable supply
- Sustainable operations through the value chain

- Strategic partnership operating models
- Interactive partner sustainability engagement process
- Digital portals to share information
- Stakeholder questionnaires

- 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



- Value creation
- Strong financial performance, growth and commercial success
- Sustainability compliance

- Investor meetings and events
- Investor communications
- Financial and sustainability reporting

- Transparent and timely communications
- Development of R&D processes to support growth
- Sustainability risk management and compliance

SUPPLY CHAIN PARTNERS



- Good and sustainable business relationships
- Financial performance and ability to meet contract obligations
- Sustainable operations through the value chain

- Supplier relationship management process: meetings and liaison between supply chain partners and Orion
- Interactive partner sustainability engagement process

- Comprehensive supplier management process
- 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, safe and high-quality 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

PHARMACIES



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

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

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

AUTHORITIES



- Safe, high-quality and cost-efficient products
- Reliable supply
- Improving public health and legal compliance

- Participating in different boards and working groups
- Interacting with authorities to understand their expectations

- Acting in compliance with laws and regulations
- Ensuring the reliable supply of medications
- Participating in and supporting research projects

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
- Occupational safety and well-being at 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
- Programme to develop safety culture in Orion
- Actions to support work well-being

TARGETS AND PERFORMANCE

CORPORATE RESPONSIBILITY FOCUS AREA	TARGET	2020 PERFORMANCE	PROGRESS	ACTIONS TAKEN AND PLANNED
Patient safety and ensuring reliable supply of medications	Orion ensures reliable supply of medications	96% pharmaceutical product availability in Finland	●	<ul style="list-style-type: none"> Systematic supplier management and risk management, especially during COVID-19. Orion continues to ensure product availability by preventing supply disruptions.
	Orion ensures patient safety, which is the fundamental priority in everything we do	9 quality related product recalls	●	<ul style="list-style-type: none"> Orion continues to ensure patient safety via rigorous quality, safety and efficacy procedures.
Environment	Improving energy efficiency by 7,5% (12,000 MWh) by 2025 (baseline 2016)	53% of Energy Efficiency Programme targets achieved	●	<ul style="list-style-type: none"> One energy efficiency project postponed to 2021 due to COVID-19 pandemic. Orion continues the Energy Efficiency Programme.
	GHG emissions (scope 1 and 2) reduction by 75% by 2025 (baseline 2016)	GHG emissions (scope 1 and 2) -58%	●	<ul style="list-style-type: none"> Orion continues actions according to GHG emission reductions roadmap 2020–2025.
	Reduction of share of hazardous waste per total waste	Hazardous waste per total waste 81% (2016: 77%)	●	<ul style="list-style-type: none"> Orion starts new development projects based on findings from analysis conducted and continues identifying improvement opportunities.
Responsibility for Orionees	LTIF 1 3.0 by 2020	LTIF 1 3.6	●	<ul style="list-style-type: none"> Actions to secure employee safety during COVID-19. Apprx. 170 managers in Finland received Skills to Care training by the end of 2020. Skills to Care trainings to be implemented in regions outside of Finland.
	Decrease absences due to illness	Absence rate due to illness 3.0% (2019: 3.3%)	●	<ul style="list-style-type: none"> Actions to secure employee health during COVID-19. Updated operating models: Early Support Model and Model of Substitutive and Modified work. A low-threshold mental well-being service piloted.
Business ethics and transparency	Orion ensures that all employees receive mandatory Code of Conduct e-learning	CoC e-learning completed by 3,410 orionees in 2020	●	<ul style="list-style-type: none"> Mandatory CoC e-learning implemented in 2020.
	Orion ensures that all white-collar employees and exempts are regularly trained on anti-corruption and bribery matters. All new employees are trained	407 new orionees trained in 2020	●	<ul style="list-style-type: none"> Continue to provide an e-learning to all new white-collar employees and exempts.
	100% of active packaging material, raw material and product suppliers signed Third Party Code of Conduct	98% of active packaging material, raw material and product suppliers confirmed adherence to Third Party Code of Conduct	●	<ul style="list-style-type: none"> Sustainable procurement processes rolled out, actions to support process continues. Implementation to indirect procurement category started. Sustainability trainings to procurement organisation.



Patient safety and supply

Patient safety is our guiding value at Orion, and a fundamental priority in everything we do. It is integrated into all of our processes throughout the value chain, and something on which we do not compromise. We are committed to ensuring reliable supply of medications to patients who need them.

[➤ READ MORE](#)

PATIENT SAFETY AND SUPPLY 2020



QUALITY MANAGEMENT SYSTEM...22

Orion implemented a new quality management platform to facilitate decision-making and improving processes with enhanced data availability and management. Also, this improves the transparency to quality and supplier management processes.

[➤ READ MORE](#)

NEW RISK MANAGEMENT MATERIALS...23

We further developed our internal reporting systems to ensure the easy reporting of adverse events brought to our attention by an individual from our company personnel. New revised reporting forms and a reporting app have been taken into use to ensure a low threshold for reporting.

[➤ READ MORE](#)



QUALITY...24

The COVID-19 pandemic had a significant influence on the auditing programme. The majority of all inspections and audits were carried out remotely due to the restrictions in place at manufacturing sites. Supplier audits carried out by Orion were postponed or executed as remote audits.

[➤ READ MORE](#)



RELIABLE SUPPLY...25

Despite the disruptions caused by the COVID-19 pandemic, we were able to meet the market needs for medicines and ensure a reliable supply. We followed the development of the coronavirus pandemic closely and adjusted our operations accordingly and promptly.

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Patient Safety and Supply

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

Quality management system

We give the highest priority to safety, quality, and sustainability in our everyday work and throughout the entire product lifecycle, from R&D through commercial manufacturing to distribution and commercial operations. The guiding principles of the quality standards of our entire supply chain are based on full compliance with EU-regulated good operating practices in manufacturing, laboratories and R&D.

Compliance to applicable regulations, health, safety and environmental standards, ethical principles and Orion values are maintained in all operations. This is ensured by responsible sourcing and the procurement process 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 comply with the requirements and to maintain effectiveness. Orion's Quality Policy is communicated and implemented through a comprehensive Standard Operating Procedure system in everyday work.

In 2020, Orion implemented a new quality management platform to facilitate decision-making and improving processes with enhanced data availability and management. Also, this improves the transparency to quality and supplier management processes. New quality management platform has already reached tangible results: for example, processing times for customer complaints are shorter and there is more timely access to data from supplier audits.

Patient safety and pharmacovigilance operations

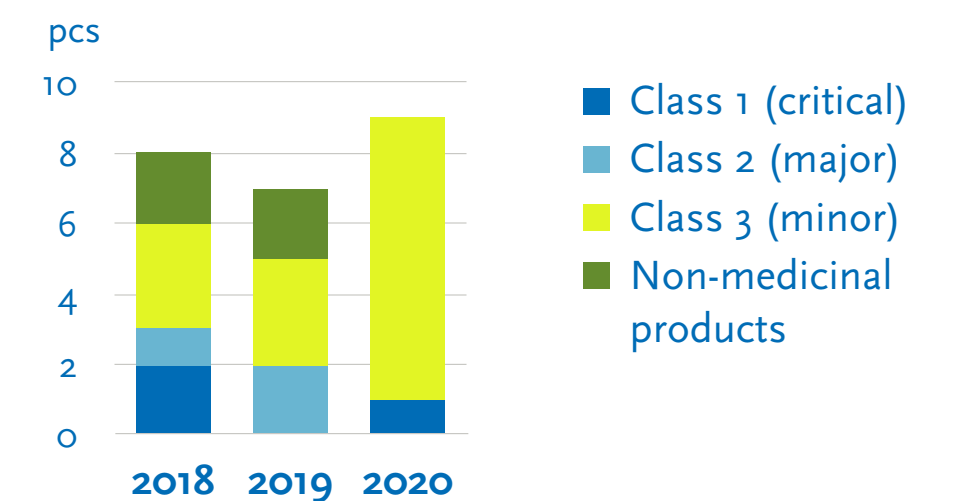
Our duty is to monitor the safety of our products throughout their lifecycles, from the early phases of R&D up until the product is no longer available on the market. This is done via pharmacovigilance activities. They relate to monitoring the effects of medicinal products in order to identify, evaluate and prevent previously unidentified adverse reactions and safety concerns. The aim is to ensure safe use of the products by mitigating the risks.

Several functions of our company are involved in the pharmacovigilance processes, coordinated by the Global Pharmacovigilance and Patient Safety unit, located in our headquarters. Trained and qualified experts are responsible for assessing and carrying out the activities related to managing the benefit-risk balance of our products. Our pharmacovigilance operations and quality management system are compliant with international regulatory requirements and guidelines.

We prepare a Risk Management Plan (RMP) for all new medicines. It describes what is known and not known about the medicine's safety and states what measures will be taken to prevent or minimise its risks. The measures are product-specific and can include, among other things, 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. A RMP is maintained throughout the lifecycle of the product.

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 lifecycle, such as from clinical trials, spontaneous reports and feedback from healthcare professionals, literature, regulatory

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.

authorities and patients regarding any adverse effects, medication errors, interactions or overdoses.

Both we and the regulatory authorities evaluate the collated information to detect safety signals that might affect the benefit-risk balance of the 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 in close collaboration with authorities in evaluating the safety of our products and on the balance between risks and benefits. When necessary, we take action to ensure patient safety, for example, by updating the information provided in the summary of product characteristics and the package leaflet, providing information or training to healthcare professionals, adding contraindications, precautions or warnings to the product information, or discontinuing sales.

New risk management materials

The use of additional risk minimisation materials as a measure to ensure safe use is increasing. In 2020, Orion launched a new web portal for healthcare professionals and patients where up-to-date, locally approved materials can be made more easily available in different countries. Some of the materials also need to be available and delivered on physical media to healthcare professionals and patients.

For generic products and biosimilars we are actively collaborating with other pharma companies who have similar products, to encourage the utilisation of joint-materials and joint communications to healthcare professionals, and to reduce the burden and material footprint of duplicative communication and materials in healthcare.

In 2020, we further developed our internal reporting systems to ensure the easy reporting of adverse events brought to our attention by an individual from our company personnel. New revised reporting forms and a reporting app have been taken into use to ensure as low a threshold for reporting as possible.

We also organised an educational campaign for pharmacovigilance and adverse event reporting to remind all company personnel about the reporting obligations and procedures. More than 2,400 employees in Orion headquarter operations and personnel throughout Finland completed the new training in 2020.

Medicine information

At Orion, we look after patient safety by sharing accurate and up-to-date information about the use, storage and safety of our products via our own marketing and corporate communication channels. This is done to the extent permitted by law 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 product characteristics determines the facts 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 in close collaboration with authorities and Orion experts to ensure that our product information is accurate.

In addition to informing patients about the content of the product, the main role of pharmaceutical product packaging is to protect the packaged pharmaceutical product on its journey from the manufacturer to the patient. Usability is 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 the 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 and/or the marketer in any communication about the product must always fully conform with the registered product information for the valid marketing authorisation.

“Our duty is to monitor the safety of our products throughout their lifecycles, from the early phases of R&D up until the product is no longer available on the market.”

MORE THAN

2,400

ORIONEES COMPLETED NEW PHARMACOVIGILANCE TRAINING IN 2020

Adherence to treatment is an important aspect to ensure the effectiveness of medication. In addition to the collaboration with healthcare professionals and patient organisations to encourage and instruct on the proper use of medications, we are looking into new ways to support adherence to treatment. One example of new ways to support adherence to treatment in 2020 was the renewal of the packaging leaflet of our Easyhaler dry powder inhaler, including new features to support the use of the device.

In 2020 due to the impacts of the coronavirus pandemic, we enhanced our digital support to customers and provided new means of support on our products and their appropriate use.

Quality

The COVID-19 pandemic had a significant influence on the auditing programme in 2020. The majority of all inspections and audits were carried out remotely due to the restrictions in place at manufacturing sites. Supplier audits carried out by Orion were postponed or executed as remote audits. Read more about our sustainability audit programme from the **Sustainable global supply chain management** section of this report.

Starting from September 2019, the European Medicines Agency (EMA) has advised pharmaceutical companies on steps to take to avoid nitrosamines in human medicines. Nitrosamines are chemical

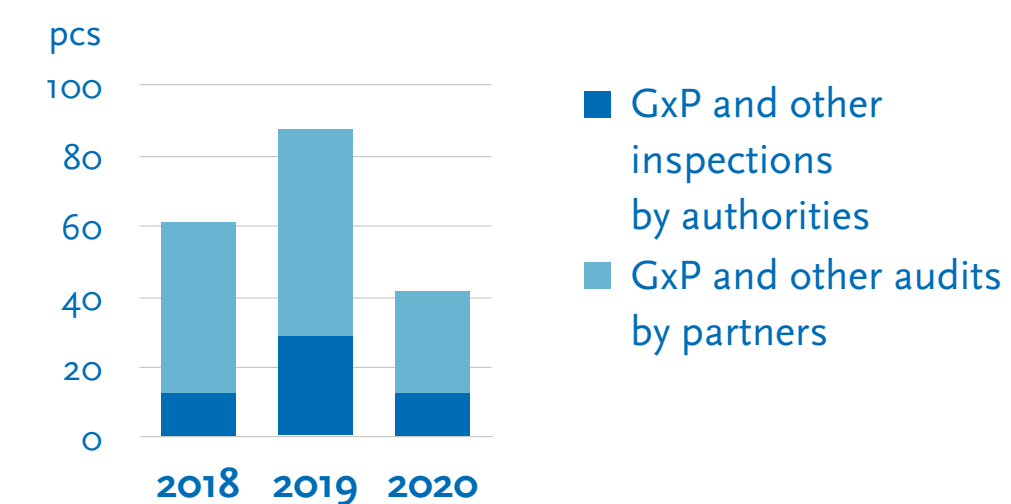
compounds classified as probable human carcinogens. EMA has assessed the risk of nitrosamine formation or presence during the manufacture of human medicines and has provided guidance to avoid the presence of nitrosamine impurities. We have followed all these new regulations.

Preventing counterfeit medicines

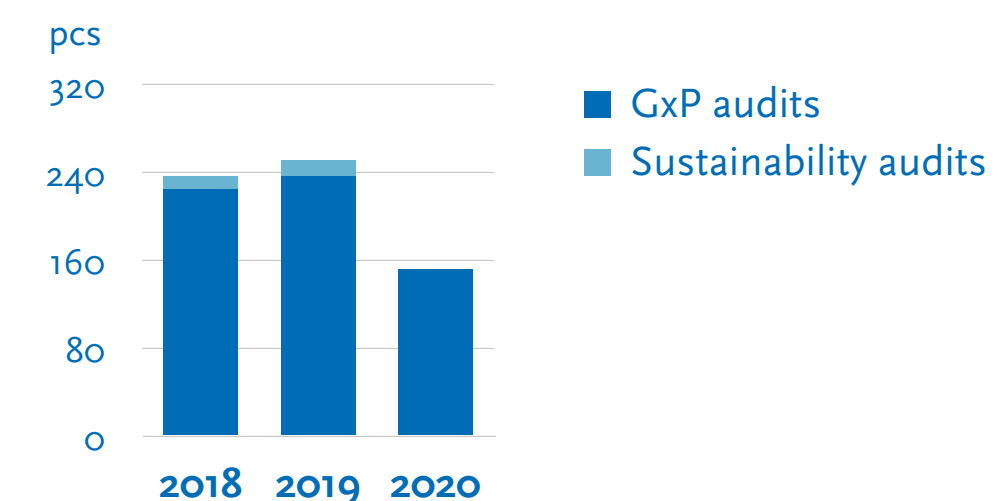
Counterfeit medicines pose a serious challenge globally as they have not been checked for quality, safety or efficacy. Counterfeit medicines are often disguised as authentic medicines, but may be contaminated, contain wrong or substandard quality ingredients, or come in the wrong dosage.

Serialisation requirements in Europe means 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 sealed, so that the customer can be sure that the packaging has not been opened. Serialisation requirements are also in force in countries outside of Europe, for example in China, the USA, South Korea, Saudi Arabia and Turkey.

Audits by third parties



Audits by Orion



“Majority of inspections and audits were carried out remotely or postponed due to COVID-19.”

In addition to compliance to serialisation requirements, we aim to take actions against counterfeit products when needed to minimise the threat to public health and help ensure the integrity of Orion products. We are working with authorities to help protect our drug supply from the threat of counterfeit products, and training internal and external stakeholders regarding counterfeit medicines. Our goal is to understand the needed steps to recognise and avoid counterfeit products. This is done by building a robust trademark portfolio and other protective legal measures.

Reliable supply

Orion aims for a high service level at all times and a secure supply throughout the value chain, starting from the drug precursor. Despite the disruptions caused by the COVID-19 pandemic in 2020, we were able to meet the market needs for medicines and ensure a reliable supply. We followed the development of the coronavirus pandemic closely and adjusted our operations accordingly and promptly. During 2020, we ensured a reliable supply of medicines e.g. by prioritising the production of critical medicinal products and collaborating closely with our suppliers.

Orion is an important part of the healthcare chain in Finland and has a significant role in the Finnish

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. Approximately 70% of our net sales are generated by products manufactured in Finland. We therefore play a significant role in providing Finnish households with pharmaceuticals, also during exceptional circumstances. In the year 2020, the pharmaceutical product availability in Finland was approximately 96%. Thanks to our actions during the year, we were able to raise the percentage to 97% in Q4.

In 2020, we secured our own production operations and quality assurance by many actions such as minimising all non-essential contacts in production and quality management. Furthermore, we trained personnel from other functions to help deliver a temporary capacity increase in production and quality assurance. Production and quality management was able to operate with full capacity and with a good service level throughout the year.

We proactively evaluate risks throughout the value chain and build collaborative relationships with our suppliers to ensure that whole supply chain risks are minimised beyond tier-1 suppliers.

Proactive risk management was key during 2020 when ensuring the availability of raw materials and drug precursors and externally sourced ready-made

products were disrupted due to the global pandemic. The collaboration with suppliers aims to mitigate risks and ensure an expected service level according to commonly agreed targets with suppliers. Ensuring alternative suppliers of products and materials is also part of our risk management 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. We also relaxed our targets on inventory levels to fulfill both market and patient needs.

“Proactive risk management and building of the collaborative relationships helped us minimise supply chain risks.”

CASE

Ensuring availability and quality of externally supplied products during the coronavirus pandemic

The constant and seamless communication between Orion and our suppliers and the rapid reaction to changes. That is how we managed to keep Orion's security of supply at a good level even during the peak of the COVID-19 pandemic in 2020.

Our target and customer promise is to secure the supply of medications at all times. In 2020, the global coronavirus pandemic caused temporary disruptions to the global supply chains of pharmaceuticals.

Due to COVID-19, the capacity usage of API, raw materials and medicines production was limited in several parts of the world, including India, China and Europe. The restrictions impacting air traffic and marine ports worldwide, as well as other movement restrictions, also posed challenges to logistics.

Understanding each other's needs

Ensuring the continuous supply of medications requires building and maintaining good relations with suppliers at all times. It also requires understanding the way suppliers work and the possible risks and limitations they might have in their own operations.

We have a long tradition of systematic supplier management (SRM) and risk management with our key partners, and the result in 2020 was seen in the form of good collaboration and a secured supply, which continued also through the challenges caused by COVID-19.

During the pandemic, when suppliers couldn't be met face to face, we managed supplier relations through alternative means. We kept in close collaboration with our suppliers to understand how we could support them during the challenging

time and ensure no disruptions to our supply. As a few examples; we helped our suppliers to arrange logistics, we supported them by providing clear manufacturing priorities as well as extending our contractual delivery times to facilitate better predictability and raw-material planning at the supplier end. We also evaluated and decided on the need for alternative raw-material sources together in order to mitigate risks.

Managed through ESO organisation

Orion's Global Operations can be divided into three main processes: own production, the External Supply Operations (ESO) process and Fermion. The ESO process covers the products we do not manufacture ourselves, but source from external suppliers.

The ESO organisation is responsible for managing the entire procurement and supply chain process of externally sourced products, including supplier management and risk management, with the ultimate target to secure compliance, product quality and availability.

All externally sourced finished products meet the same strict quality and safety measures as the products that we produce ourselves. The role of the ESO Quality Assurance is to ensure that the finished products sourced from external suppliers meet quality requirements and compliance.

“We have a long tradition of systematic supplier management (SRM) and risk management with our key partners.”

MANAGEMENT OF PATIENT SAFETY

MANAGEMENT APPROACH	Patient safety as our guiding value and fundamental priority. Integrated to all functions and processes throughout the value chain.
MATERIAL DISCLOSURE TOPICS	<p>Material Orion topics:</p> <ul style="list-style-type: none"> • Pharmaceutical product availability in Finland • Inspections and 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 and the reliable supply of medications.
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 Global Commercial Operations: 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 our Quality Assurance organisation: review all data for each product batch before product release and certification to ensure that the batch fulfills all requirements as defined in marketing authorisation and the GMP. • The Accountable Director in 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	<p>Monitoring of the safety of products, feedback collected from customers, benefit-risk assessments carried out throughout the product life cycle.</p> <p>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.</p> <p>All employees obliged to inform the Global Pharmacovigilance and Patient Safety unit about any adverse effect events they have become aware of.</p>
EVALUATION OF MANAGEMENT APPROACH	<p>The health authorities monitor and assess our R&D, supply chain and pharmacovigilance operations.</p> <p>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



Environment

At Orion, we invest in environmental responsibility throughout the product lifecycles. The most significant environmental impacts of our operations arise from the use of materials, energy and water. The emphasis of environmental management is on the efficiency of materials and energy use, emissions into air, wastewater and the procedures for selecting and managing suppliers and partners.

[▶ READ MORE](#)

ENVIRONMENT 2020



PROPER USE OF MEDICINE...32

The local Lääkkeetön Itämeri (Drug-free Baltic Sea) campaign in Finland raised the awareness of the importance of returning the expired or unwanted medicines to the pharmacies for proper disposal.

[> READ MORE](#)

EHS MANAGEMENT...33

Data is the enabler of continuous improvement for us, and that is why we started the development of our EHS reporting processes and tools. As a result the quality, traceability and comparability of our EHS-data was improved and reporting could be conducted more efficiently.

[> READ MORE](#)



WASTE MANAGEMENT...34

We developed the measuring of the environmental impacts of waste management processes. The carbon footprint calculations provide us with more accurate and holistic data on environmental impacts of waste management processes.

[> READ MORE](#)



ENVIRONMENTAL INVESTMENTS...39

We initiated the planning and design phase concerning possible investments for several major renewable energy and energy efficiency projects for upcoming years for Turku, Espoo and Hanko production plants.

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Environment

We focus our particular attention to the pharmaceutical residues in the environment, and we are committed to increasing our knowledge in this area.

Pharmaceuticals may end up in the environment in various ways, due to effluents from manufacturing facilities, medicines consumed by patients and then excreted, or the improper disposal of unused and expired medicines.

We evaluate the potential environmental impact of our products with lifecycle thinking, starting with the product development stage. We conduct an environmental risk assessment on all new products, as required for market access, to identify any risks that the substances included in the products could cause when released into nature, and ways to prevent these risks in our own operations. We are constantly assessing the environmental impacts of our manufacturing activities, and when manufacturing active pharmaceutical ingredients, green chemistry is the aim.

Reducing the environmental impact of the production of pharmaceuticals and controlling risks at factories is essential. We have succeeded in reducing our pharmaceutical residues from production significantly by developing its wastewater management system. This process is based on a separate drainage system, in which wastewater

containing compounds unsuitable for a biological treatment plant or posing a risk of environmental impact are separated from the rest of the wastewater. The high-risk wastewater is directed to special tanks and treated as appropriate. The extra water is evaporated as efficiently as possible, and the residues are incinerated responsibly as hazardous waste.

Being responsible does not just mean continuously improving our own operational site processes 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. Pharmaceuticals in the environment is one criterion considered in the procurement process. We do this through self-assessment questionnaires, by undertaking risk-based sustainability audits, and by ensuring that necessary corrective actions are agreed upon with suppliers and followed up afterwards. Further information about our responsible supply chain management is available in the **Sustainable global supply chain management** section of this report.

Most of the pharmaceutical residues in the environment are caused by the use of medicines. They end up in the environment as excretion and via wastewater from showering. Our key focus is to provide patients with effective and safe medicines in the right way when they need them. Medicines

only help patients if they are taken according to a prescription by a healthcare professional. The issue is complex: medicines are an integral part of the well-being of people and animals, but they clearly impact the environment.

“We have succeeded in reducing our pharmaceutical residues from production significantly by developing its wastewater management system.”

Pharmaceuticals in the environment

PRODUCTION
2%



RISK ASSESSMENTS

ORION'S APPROACH:
WASTEWATER EVAPORATION
AND INCINERATION

CONTROLLED
DESTRUCTION

HUMAN
PHARMACEUTICAL
USE



DISPOSAL

10%



HAZARDOUS
WASTE
TREATMENT

MUNICIPAL
WASTE
MANAGEMENT

ENVIRONMENTAL
IMPACTS OF
PHARMACEUTICALS
TO WATER AND
TERRESTRIAL ECOSYSTEM

USE

88%



WASTEWATER
TREATMENT
PLANT

VETERINARY
PHARMACEUTICAL
USE



VARIOUS
PATHWAYS

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 misuse or unnecessary use of medicine. Our sales professionals and other personnel advise healthcare professionals to ensure that products are used correctly. Our products selection contain also small packages, suitable if healthcare professional is to prescribe new medicines using smaller packages. This reduces the amount of drug waste from unused medicines, if the entire package is not used by the patient. Orion aims to use its influence to increase awareness, encourage the responsible use of medicines and reduce the amount of drug waste.

In addition, Orionees working with package design take the size of packages and the shelf life of products into consideration 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, how to use and store the product and instructions for the proper disposal of medicines. Our aim is to continuously improve the sustainability performance of product packaging, and sustainability aspects are considered in packaging development. We already optimise performance, costs, raw materials and energy use by harmonising the carton sizes reducing the space used for

transportation and warehousing. When possible, we switch to better and more sustainable materials and packaging solutions. In 2021, we are starting a project focusing on developing our sustainable design principles. This will help us incorporate sustainability in every step of the packaging design process.

Expired or unwanted products should be returned to the pharmacy to be disposed of properly. Improper disposal will create a major environmental load. To minimise the environmental impact at this stage of the product lifecycle, we cooperate with pharmacies and other healthcare professionals. We continuously increase awareness among consumers and healthcare professionals on the appropriate ways to recycle and dispose of product packages and medicinal products. In 2020, we reran the local Lääkkeetön Itämeri (Drug-free Baltic Sea) campaign in Finland together with other stakeholders, to raise the awareness of the importance of returning the expired or unwanted medicines to the pharmacies for proper disposal. Additionally, we created illustrative instructions for consumers about the proper way to dispose pharmaceutical and self-care products. The instructions were taken up in several pharmacies in Finland.

Medication disposal schemes used to prevent pharmaceuticals from ending up in the environment may vary from country to country. To ensure safe, effective and compliant take-back of our products in

the US market, Orion is a member of Pharmaceutical Product Stewardship Work Group (PPSWG) and is participating in several MED-projects in different states. MED-projects develop, implement and operate take-back programs for unwanted household medicines and provide also public education about proper usage, storage, and disposal of medicines.

Also veterinary use is a source for pharmaceuticals in the environment. Antibiotics are life-saving medicines and the cornerstone of managing bacterial infections, but widely overused and misused in both people and animals. Inappropriate use of antibiotics leads to antimicrobial resistance (AMR). As a result, antibiotics become ineffective and curing previously treatable infections becomes difficult. The WHO characterises AMR as one of the biggest threats to public health in the world today. Our work to reduce the drug residues in the environment applies to antibiotics as well. In this context and to fight against antimicrobial resistance we have a useful product on the market. For poultry, Orion's portfolio includes Broilact®, a unique Competitive Exclusion (CE) product providing a refined selection of bacteria that establish and develop a healthy adult-type microflora in the intestines of chickens, turkeys, geese, pheasants, quails and partridges. Increased awareness and the restrictions on antibiotic use in poultry have increased the interest in this product.

“Orion aims to use its influence to increase awareness, encourage the responsible use of medicines and reduce the amount of drug waste.”

We collaborate with stakeholders to share knowledge, learn from others and develop solutions. We are taking part in the SUDDEN project (Sustainable Drug Discovery and Development with End-of-Life Yield), which is a multidisciplinary research consortium dedicated to reducing the environmental impact of pharmaceuticals and supporting sustainable growth in the pharmaceutical industry.

Environment, health and safety (EHS) management

Orion's environmental efforts are guided by our EHS Policy. The operating model for our environmental management and energy efficiency activities follows the guiding principle of continuous improvement. The practices applied in the management and development of environment and energy efficiency are determined in the Group's EHS management system, built upon the principles set out in the ISO14001, ETJ+ and ISO50001 standards.

The underlying integrity of Orion-branded products is foundational. Orion's responsibility covers the entire supply chain irrespective of where the raw materials and products are manufactured. We ensure that we meet the environmental management principles and requirements through active engagement including training, systematic implementation and improvement, and ongoing monitoring of the

progress made to address potential impacts. We also engage with our suppliers to drive positive impact in our value chain. Read more from the **Sustainable global supply chain management** section of this report.

All of our factories are required to meet Orion's policy and regulatory requirements. Our dedicated team of EHS specialists evaluates environmental risks, provides subject matter expertise and continuously assesses the design and effectiveness of our environmental management. EHS risk assessments, internal EHS audits and annual management reviews are used to ensure continuous improvement. Our EHS information system enables all orionees to report environmental observations, for which applicable corrective actions are done. The implementation and progress of corrective actions are monitored via the EHS information system.

Environmental disclosures are an important part of our commitment to transparency. Data is also an asset, utilised to detect and prioritise the improvement activities. Monitoring and measuring our environmental performance are vital elements in managing sustainability. Data is the enabler of continuous improvement for us, and that is why in 2020 we started the development of our EHS-reporting processes and tools. As a result, the quality, traceability and comparability of our EHS-data was improved and reporting could be conducted more

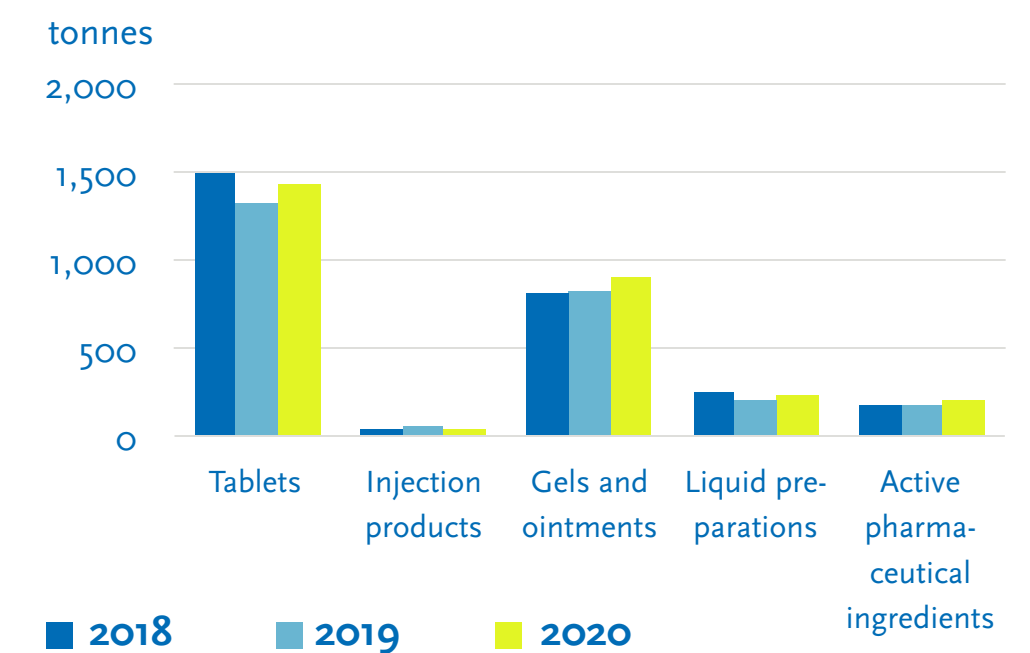
efficiently. In 2021, we will continue to roll-out the reporting improvements to further EHS indicators.

Materials

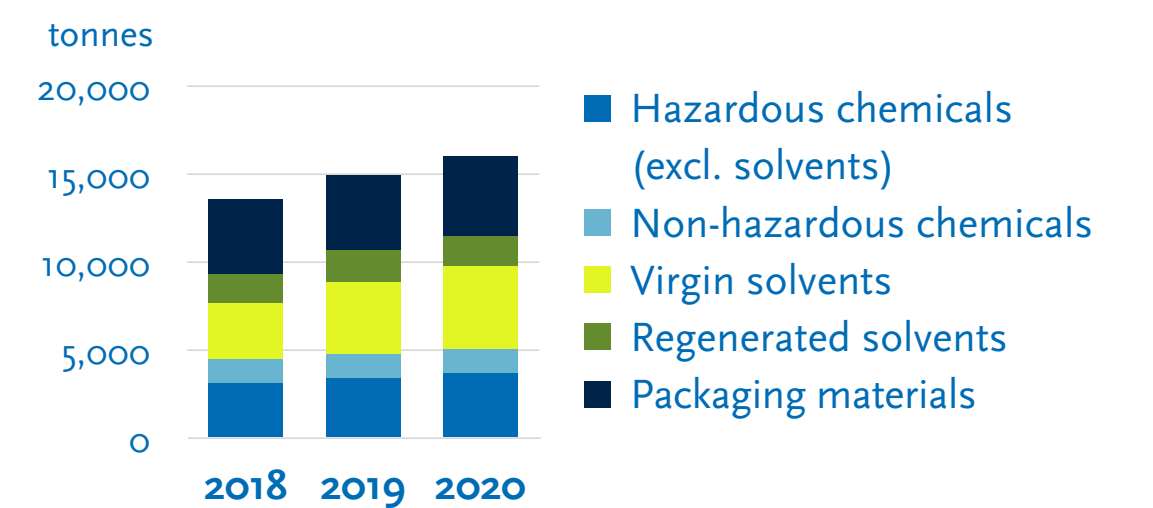
We map the flow of materials throughout production to identify improvement opportunities. We also work closely with our partners to identify possibilities for reuse or recycling of our materials. Active pharmaceutical ingredient manufacturing in Fermion accounts for the majority of our material usage. Out of the materials used solvents have the largest volume. They are regenerated and reused by Fermion.

Regenerated solvents can be reused in steam generation and in some production processes. Reusing solvents contributes to material efficiency and thus helps us reduce the environmental impacts of our operations. Due to the strict quality requirements of manufacturing medicines, our ability to recycle materials in our operations is limited to Fermion's solvents. In 2020, Fermion was able to recycle 2,399 tonnes of used solvents back to production, which accounted for 36% of the Group's total production solvent consumption and 22% of total material usage.

Production volumes



Materials use



Waste management

Waste in all forms is an important aspect of our efforts to reduce our environmental impact. Our aims are aligned with the priority targets specified in the EU waste strategy, which are included in the Finnish Waste Act. These priorities include reducing the amounts of waste generated and recycling waste materials. Waste that cannot be re-used as material in our own operations is delivered to an appropriate third party to be used in another way whenever possible, such as for energy recovery. The amount of waste sent to landfill is kept to a minimum.

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

Most of the Orion Group's waste is hazardous, and most of it comes from Fermion, which produces active pharmaceutical ingredients at its plants in Hanko and Oulu using synthetic methods of organic chemistry and handling great amounts of raw materials.

Typical materials from manufacture of medicines treated as hazardous waste include drug waste,

organic and inorganic chemicals and mixtures classified as hazardous or harmful, cytostatic, and carcinogenic among others. We make sure that our hazardous waste materials are given appropriate further treatment, during which process they are made safe for both people and the environment.

In the pre-treatment processes, our partner sorts out those 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, specialised 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 district heating system in the near-by region. The exact value of the distribution of the heat is hard to determine, but it is estimated that at least more than a quarter is pure solvents with a high heat value. These fractions are reported in the category of "incineration, mass burn" of hazardous waste.

Some of our hazardous waste, especially waste fractions with a high water content, is sent to physical-chemical pre-treatment. These fractions are pre-treated by evaporation before incineration.

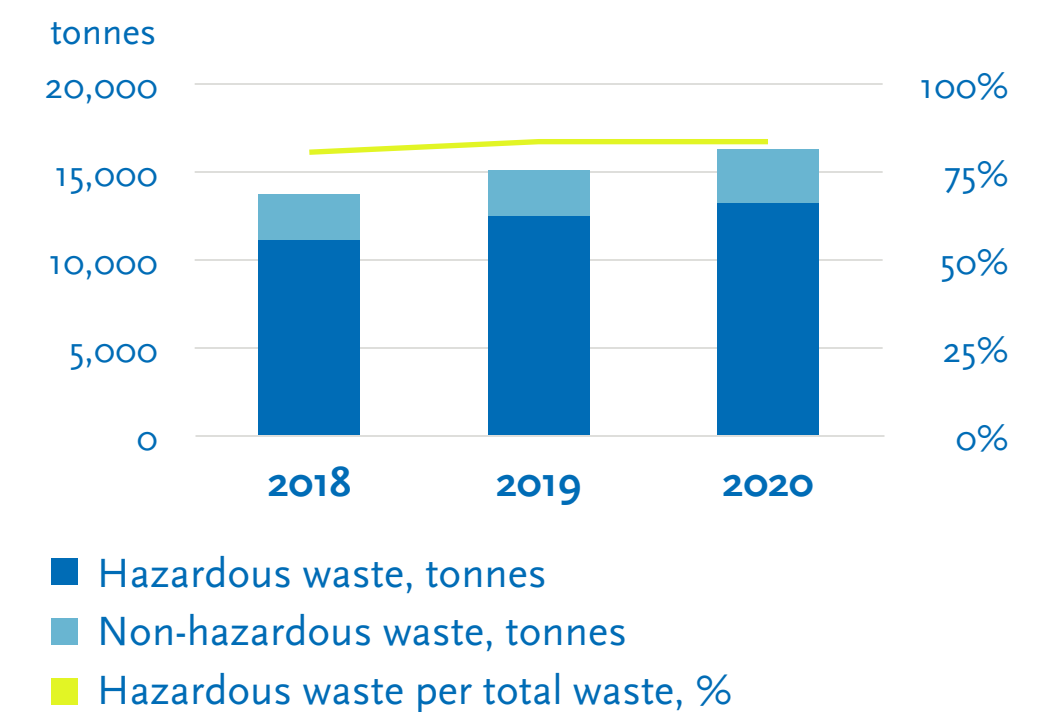
In 2020, we developed the measuring of the environmental impacts of waste management

processes. This was done with carbon footprint calculations provided by our waste management partner. The carbon footprint calculations provide us with more accurate and holistic data on environmental impacts of waste management processes. This helps us identify where actions to minimise impacts should be directed.

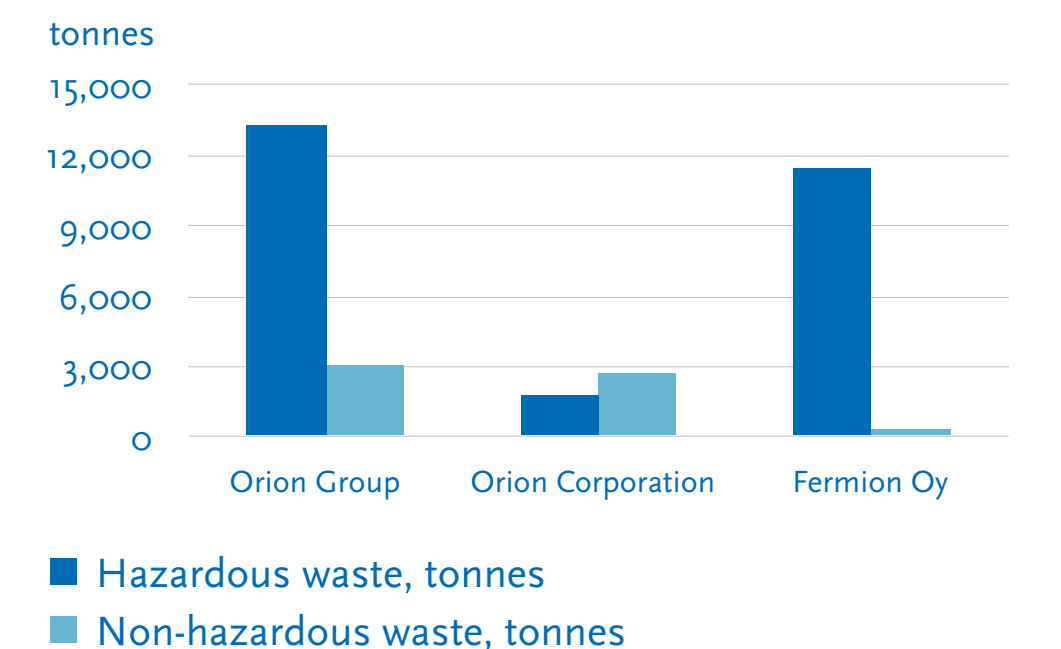
The manufacturing processes of pharmaceutical products and APIs differ very much from each other, and the waste amount and types generated also differs accordingly. Our pharmaceutical product manufacturing sites in Espoo, Turku, Kuopio and Salo mainly generate non-hazardous fractions that are recovered either as materials or as energy. A considerable part of all our non-hazardous waste consists of different kinds of packaging materials.

One of our strategic KPIs is the share of hazardous waste of our total waste. Our aim is to reduce hazardous waste in particular, but also total waste. The share of hazardous waste has increased by 4 percentage points to 81% against the 2016 baseline despite the efforts made. The rise is mainly due to Fermion's production changes towards more material and waste-heavy products. We start waste related development projects based on findings from analysis conducted and continuously aim to identify new improvement opportunities.

Waste



Waste by reporting units in 2020



Fermion's direct manufacturing material flows are many times higher than those involved in the manufacture of pharmaceutical preparations. Fermion's total waste increased by 6% and its share of the Group's total waste in 2020 was about 72%. Fermion's share of the entire Group's hazardous waste was about 87%.

Orion Corporation, comprising the pharmaceutical preparations business, accounted for about 28% of the Group's overall waste, with a small increase in the amount of total waste as in the previous year. The amount of hazardous fractions decreased by 3%.

Waste by type and disposal method¹, tonnes

		2018	2019	2020
Hazardous	Materials recovery: reuse, recycle, composting, recovery	4	37	45
	Energy recovery	5	3	2
	Incineration, mass burn ²	11,172	12,592	13,055
	Landfill	0	0	179
	Other ³	0	0	0
	Total Hazardous waste		11,182	12,633
Non-hazardous	Materials recovery: reuse, recycle, composting, recovery	1,764	1,710	2,076
	Energy recovery	745	687	709
	Incineration, mass burn	30	94	63
	Landfill	4	0	177
	Other ³	0	0	0
	Total non-hazardous waste		2,543	2,490
	Total waste	13,725	15,123	16,306
	Share of hazardous waste	81%	84%	81%

¹ Waste disposal methods have been provided by the waste disposal contractors. The scope of waste reporting includes own production and operations in Finland. Waste to landfill increase in 2020 resulted from demolition waste and contaminated soil from different construction projects and the crane accident in Espoo.

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

³ Other includes deep well injection, on-site storage and all other means.

CASE

Utilising waste ethanol to reduce the nitrogen load in the Baltic Sea

Waste ethanol that was previously disposed of at Fermion’s Hanko plant can now be utilised for the benefit of the environment: one concrete example of how to identify and use the opportunities offered by circular economy. This by-product, which was previously destroyed as waste, is now used for cutting the nitrogen content of wastewater in significant amounts.

Fermion and its neighbouring business in Hanko, Genencor International, jointly own an industrial wastewater treatment facility. The nitrogen load flowing from the plants through the treatment facility and into the sea has been approximately 100–150 kg/day in recent years.

Although this is clearly below the permitted 200 kg/day, the companies were keen to join forces to reduce this load, particularly because both were forecasting growth in their production in the next few years. As a result, they discovered an innovation to reduce the amount of nitrogen emissions.

From hazardous waste to mitigator of nitrogen emissions

Denitrification, the removal of nitrogen, usually requires a source of carbon serving as a nutrient for microbes. Alcohol is a good source of carbon, and it also allows the easy adjustment of the denitrification process.

The innovation was found at Fermion’s Hanko plant at the end of 2019: the weak ethanol solution, produced in vast quantities as a by-product of manufacturing a pharmaceutical ingredient could be utilised for denitrification.

Around 200–500 cubic meters of this alcoholic by-product is produced annually. It has been treated as hazardous waste, as it also contains certain

chemicals in addition to alcohol, and the liquid waste has been taken to Fortum’s Riihimäki plant for disposal.

The employees at Fermion’s distillery developed a method by which the weak alcoholic solution was made into a liquid with an alcohol concentration of 50–80 per cent, and that way more suited for recycling. Now, on average, more than 70 per cent of the total quantity of the waste solution is utilised in the water treatment circulation.

The energy used in the distilling process comes from waste energy and it takes place at an existing facility – also in line with the principles of circular economy.

Circular economy brings tangible results

The new process was tested at the wastewater treatment facility in early 2020. In December 2020, Fermion introduced a 20 cubic-metre container for the alcoholic solution processed at the distillery, from where it is led to the wastewater facility when necessary. The system is fully automated. The test runs have shown that as a result of the new process, the nitrogen load emitted into the sea can be reduced by at least 50–60 per cent from the previous levels.

The project serves as an example of how the employees of Orion are motivated and proud to engage in environmentally sustainable operations and the development of new solutions.

“As a result, they discovered an innovation to reduce the amount of nitrogen emissions.”

Water management

We measure and report our water consumption, and manage the related risks to our footprint. We monitor our factories' and suppliers' water management practices and wastewater compliance to ensure water risks are minimised. Our production plants are not located in high water risk areas.

We know the quality of our wastewater, and we reduce the environmental burden on waterways caused by our operational sites by minimising the residues of harmful chemicals in our wastewater. We do 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 following BAT reference documents. We operate in accordance to the quality requirements set in production plant specific environmental permits. There were no significant incidents of non-compliance with discharge limits during 2020.

Orion's sustainable procurement process includes the assessment of suppliers' impacts to water areas. This is done risk-based either as a self-assessment questionnaire or on-site audit.

There are significant differences in the volumes of water consumed between our units and locations, due to the differing characteristics of their facilities

and operations. All of the water we consume is taken from local municipal water supply systems and calculated from direct measurement from water meters. One of our sites also uses seawater cycle as cooling water, and its consumption is estimated from pumps usage hours.

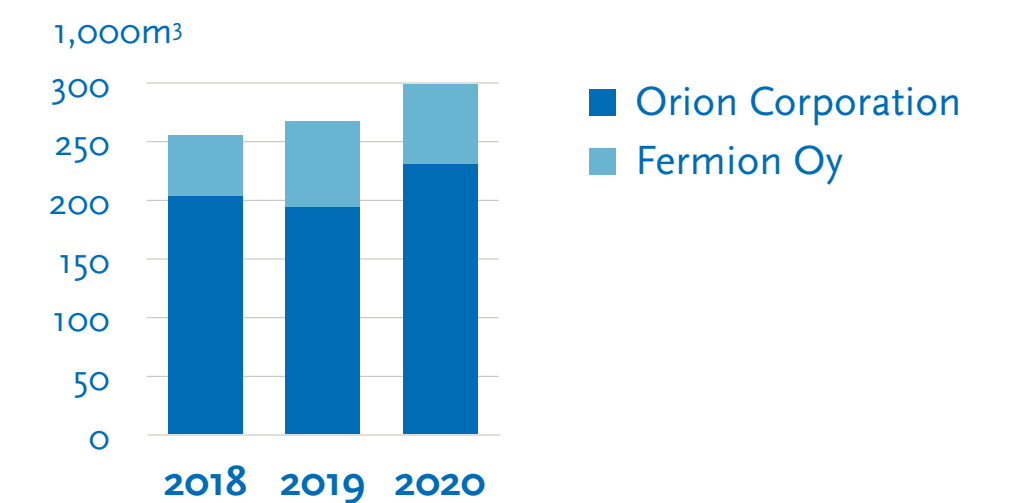
Our production sites generate practically as much wastewater as they consume fresh water. The wastewater is led to municipal water treatment plants either directly or after neutralisation, where solids and substances with biochemical oxygen demand (BOD) or chemical oxygen demand (COD) are removed. No wastewater from our sites is directly conducted to natural waterways. The waters exiting the process of Fermion's Hanko plant are pre-treated in our partner's adjacent biological treatment plant, from which the treated water is conducted to the sea via the local municipal discharge pipe. No water is being recycled or reused by another organisation. The significant rise on the BOD and COD amounts directed to the wastewater treatment in 2020 is due to the ethanol feeds at Fermion's Hanko site for the purpose of reducing nitrogen emissions from the wastewater treatment plant itself. Read more about the process and results of the wastewater treatment at Fermion's Hanko site [here](#).

Energy efficiency

Our aim is to continuously improve the energy efficiency of our operations in accordance to our energy management system. We are constantly exploring methods to increase the share of renewable energy as well as improving internal processes in order to find optimal ways to utilise waste heat from production and reduce energy usage. The strategy is to apply the best solutions from across the Group as well as finding new innovative methods to increase energy efficiency.

We are committed to the joint Energy Efficiency Programme for the members of the Confederation of Finnish Industries (EK). The programme is based on the strict requirements of the EU Energy Efficiency Directive, and the savings target for 2025 is 7.5% of energy consumption in 2016, the intermediate target being 4% for 2020. For Orion Group the target set means a saving of slightly over 12 GWh by 2025, 53% of which was achieved by the end of 2020. The energy savings of 237 MWh during 2020 were reached by finalising energy efficiency projects in Kuopio, Oulu and Salo. In Kuopio and Oulu new LED lighting was installed. At the Salo site, four new electronically controlled fan motors were installed to the air supply unit, replacing the old motors and reducing the electricity consumption significantly.

Water consumption in reporting units



Wastewater discharges

	2018	2019	2020
Volume, m ³	275,000	274,000	306,222
BOD, tonnes	149	230	433
COD, tonnes	254	379	677
TSS, tonnes	24	21	20
Nitrogen, tonnes	11	14	10
Phosphorous, tonnes	0.8	0.9	0.8

Due to the COVID-19 pandemic, one of our planned energy efficiency projects for 2020 had to be postponed. This resulted in Orion not reaching the intermediate energy savings target for 2020 by a very small margin. We expect to exceed the target in 2021, when one major energy efficiency project, currently under construction, will be in operation. A newly built local heating pump facility based on utilising heat from production and from outside air will produce both heating and cooling for the process. This will reduce the amount of purchased district heat for Turku plant by approximately 2/3 and reduce the carbon footprint significantly.

Emissions

We recognise the need for rapid actions regarding climate change. Therefore, we are committed to reducing our scope 1 and 2 greenhouse gas emissions by 75% by 2025 from a reference year of 2016 and have made an action plan to reach this target. The first big step was transitioning to 100% renewable electricity in 2019. A major part of planned action focuses on reducing emissions from heating our facilities and generating the steam needed for production.

We also control the volatile organic compound (VOC) emissions in all our operations. Strict

limits concerning VOC emissions from the use of solvents are set in the local environmental permits for our manufacturing plants. In 2020, our VOC emissions totalled 95 tonnes (108 tonnes). Fermion's operations account for circa 96% of our total solvent consumption. In Oulu, VOC emissions are treated in a facility which operates according to cryogenic principles, and the vaporised solvents are recondensed into liquid form by means of liquid nitrogen. In Hanko, VOC emissions are treated by our partner. The VOC emissions from the pharmaceutical manufacturing operations in Espoo and Turku mainly originate from ethanol, which is used as the primary solvent in tablet-coating processes and in the manufacturing of tablet masses.

In 2020, we started the estimation of our scope 3 greenhouse gas emissions. In this work we utilise the results from a product-specific life cycle assessment conducted in 2019. After finalising the scope 3 emissions calculations we will focus on identifying improvement measures to minimise the scope 3 emissions.

The transportation of raw materials and products is being handled by external service providers. Currently we do not monitor or assess the environmental impacts of the transportation of raw materials or products, but set strict quality and sustainability requirements for our partners as part

of our sustainable procurement process. Also, our partners have measures in place to reduce their own environmental impact.

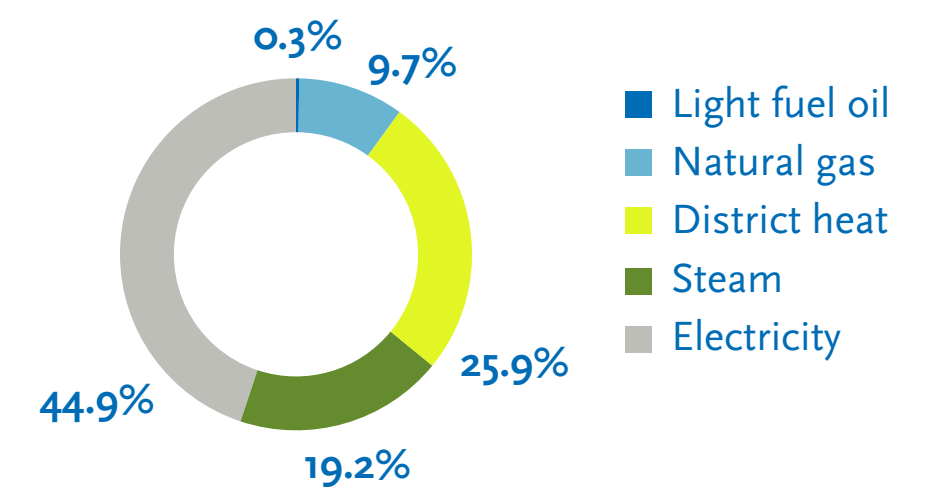
The COVID-19 pandemic had a major impact on business travel activities. This resulted in a significant decrease of our CO₂ emissions from business flights.

CO₂ emissions from business flights, tonnes¹

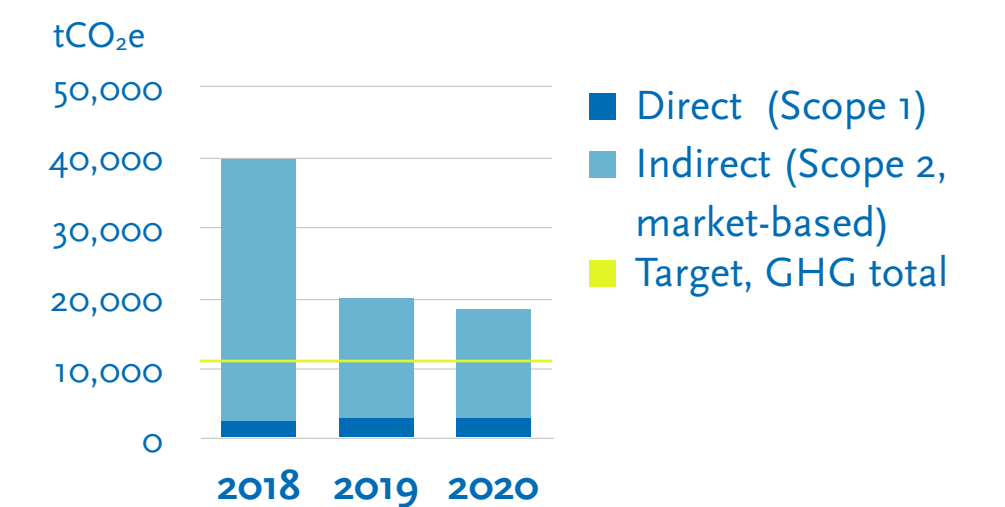
	2017	2018	2019	2020
Flights in Finland	175	126	146	36
International flights	1,637	1,565	1,358	159
CO ₂ emissions from business flights total	1,812	1,691	1,504	195

¹ Calculation of the CO₂ emissions:
 Length of flight ≤ 590 miles: 0.24 kg CO₂ / mile
 Length of flight > 590 miles: 0.18 kg CO₂ / mile
 CO₂ emissions information provided by supplier.
 The reported CO₂ emissions from business flights cover over 80% of employees.
 Business flights arranged by other travel agencies for employees at our foreign locations cannot be reported.

Energy consumption, %



Greenhouse gas (GHG) emissions



Part of Orion’s fleet in Finland, a total of 67 vehicles, utilise renewable diesel as their fuel. As a result, 83,490 kg CO₂ emissions reduction¹ is reached. Approximately 140 employees in Finland had a company car as an employment benefit in 2020. The average time a company car remains in service is approximately four years. The average CO₂ emissions of the entire fleet in 2020 was 124 (126) g/km.¹

In Espoo, we also provide our employees with the option of charging electric and hybrid cars at our parking lot. In 2020, 125,000 (108,000) kilometres were charged and 18 (15.6) tonnes of CO₂ emissions avoided.¹

Environmental investments

We made several environmental investments in 2020: projects for improving energy efficiency, efficient and safe use of materials, consumption of water, and management of effluents, waste and emissions. Our environmental investments in 2020 came to about EUR 1.0 (1.3) million.

In 2020, we initiated the planning and design phase concerning possible investments for several major renewable energy and energy efficiency projects for upcoming years for Turku, Espoo and Hanko production plants. In late 2020 we performed an Energy Survey for Oulu factory and the findings will be further analysed and taken into consideration for possible future actions.

Environmental incidents

In 2020, there were no material fines or non-monetary sanctions for non-compliance with environmental laws and regulations. There was one minor environmental incident with hydraulic oil leakage into the soil at the Espoo site. This was caused by a construction crane operated by a contractor falling over. There were no personnel injured. 250 tonnes of contaminated soil was removed and sent to a waste treatment company with proper permissions to operate. The remaining soil was tested and found to be clean. The accident was investigated according to our EHS management system in co-operation with relevant authorities, and necessary corrective actions were completed.

“We initiated the planning and design phase concerning possible investments for several major renewable energy and energy efficiency projects.”

¹ Data provided by supplier.

MANAGEMENT OF ENVIRONMENTAL PERFORMANCE

MANAGEMENT APPROACH	<p>Aim for the highest environmental standards in the industry.</p> <p>Identify the most significant environmental aspects of our business, mainly related to the consumption of raw materials, energy and water, emissions into the air and wastewater, and the waste arising from our operations.</p>
MATERIAL DISCLOSURE TOPICS	<ul style="list-style-type: none"> • Materials: 301-1 • Energy: GRI 302-1, 302-4 • Water: GRI 303-1 (2018), GRI 303-2 (2018), GRI 303-3 (2018), 303-4 (2018), 303-5 (2018) • Emission: 305-1, 305-2, 305-7 • Effluents and waste: GRI 306-2 (2016) • Environmental compliance: GRI 307-1 • Material Orion topic: Hazardous waste per total waste
POLICIES AND COMMITMENTS	<p>Orion's EHS policy, Responsible Care programme by the Chemical Industry Federation of Finland, Motiva Energy Efficiency Programme.</p>
GOALS AND TARGETS	<ul style="list-style-type: none"> • GHG emissions (Scope 1 & 2) reduction of 75% by end of 2025¹ • Improve energy efficiency by 7.5% (12,000 MWh) by end of 2025¹. Intermediate target to improve energy efficiency by 4% by end of 2020¹. • 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	<ul style="list-style-type: none"> • Executive Management Board: responsible for EHS operating principles being followed at Group level. • EHS steering committee (headed by the Director for EHS and Facility Management): approves action plans and conducts management reviews for Orion Corporation. • Fermion safety committee (headed by the EHS Manager of Fermion): approves and follows up action plans for Fermion Oy. • EHS virtual team: a group-wide forum of EHS-professionals. Team members responsible for the operational environmental activities. • 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	<p>Online EHS information system for filing reports on environmental issues (available for all employees, enables anonymous reporting).</p>
EVALUATION OF MANAGEMENT APPROACH	<p>Systematic audits and management reviews of our own operations.</p>

¹ Baseline 2016



Orionees

Orion is an organisation of over 3,000 highly educated professionals. Our goal is to offer meaningful work in a well-managed and safe working environment and where people are treated equally and fairly. We believe that well-being at work results from motivated employees, interesting work tasks, open working environment and clear targets.

[▶ READ MORE](#)

RESPONSIBILITY FOR ORIONEES 2020



IMPROVING SAFETY CULTURE...51

We continued the implementation of Skills to Care method throughout the company. 170 managers in Finland were trained in 2020.

[▶ READ MORE](#)

PROMOTING PERSONNEL DEVELOPMENT...46

We formed a competence development network in 2020. The network aims to identify competence areas that are important for our success and to systematically support development in these areas.

[▶ READ MORE](#)

2,492
SAFETY
OBSERVATIONS



83%
OF ORIONEES
PARTICIPATED IN
PULSE SURVEY

3.6
LTIF 1

RENEWED PERSONNEL SURVEY...48

We introduced a new personnel survey in 2020 to measure employee experience. The Pulse Survey is conducted twice a year and is used as an internal development tool.

[▶ READ MORE](#)



EMPLOYEE WELL-BEING...43

We piloted a low-threshold mental well-being service, where employees in Finland were able to access well-being support from healthcare professionals via video connection.

[▶ READ MORE](#)

Responsibility for Orionees

Employee well-being

At Orion, we encourage and support our employees to take care of their personal well-being. Well-being actions at work also aim to promote and support the well-being and working capacities of all employees. One of our group-level targets is to decrease absences due to illness. The absentee rate due to illness (as a percentage of total theoretical working hours for our own personnel) in 2020 was 3.0% (3.3.%).

We offer early support activities that aim to support work ability and well-being at work in a preventive and solution-oriented way. During 2020, we updated Orion’s Early Support Model and Model of Substitutive and Modified work. These models are a way to identify well-being risks as early as possible, provide individual operating models to mitigate the

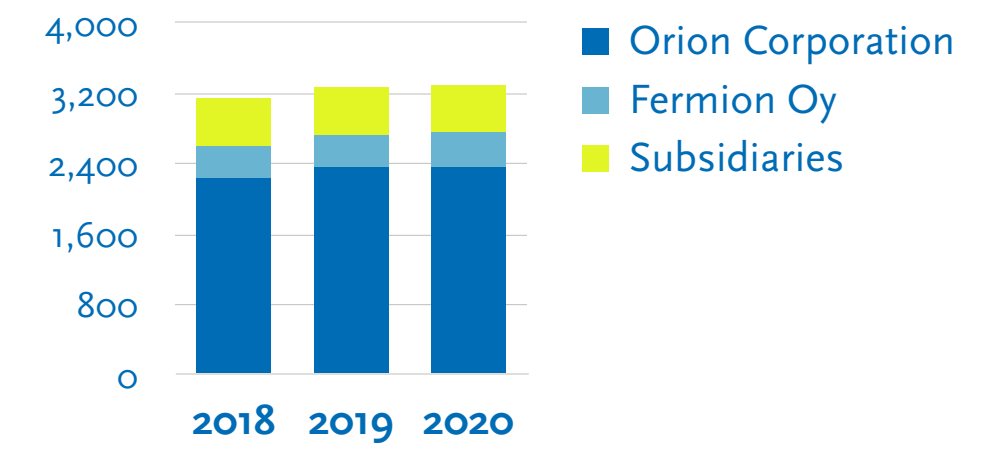
risks and improve the well-being of the employees. Managers are regularly trained on how to provide early support in their day-to-day management work. Managers are also trained to treat sensitive personal information confidentially and to treat employees equally. We also identify risks to the well-being of Orionees with e.g. workplace surveys, health examinations, and other occupational healthcare activities.

Our employees are encouraged to assess and identify the signs of threats related to their well-being at work. In 2020, we piloted a low-threshold mental well-being service, where employees in Finland were able to access well-being support from healthcare professionals via video connection. The effectiveness of the pilot was monitored and based on the positive results we will continue to offer this service to employees.

Our employee benefits include financial support for sports and culture activities, and we offer several hobby clubs as activities to support work ability. There are several different hobby clubs that support physical, mental and social functioning, arranged by location and country. Due to coronavirus restrictions in place during 2020, some of the activities were postponed and replaced by online exercise and events.

As part of the well-being of Orionees, we took actions for the well-being of the Baltic Sea. In summer 2020, Orion arranged a team competition, where Orionees in Finland collected litter from nature by the bucketful. The contest was part of the John Nurminen Foundations #OURSEA campaign, whose goal is to raise funds to save the Baltic Sea and its unique cultural heritage. Getting together outdoors to collect litter was a great way for our employees to get in contact with nature and for the teams to spend time together while keeping safe physical distances. The team members, individually and in pairs, also collected considerable amounts of litter, 1,800 buckets in total. The competition made both the contestants and passers-by more aware of the amount of waste that ends up in nature. Many participants said they have found a new hobby in litter-picking: the end of the competition did not mean that ‘plogging’ (a combination of jogging and picking up litter) should be given up.

Personnel by reporting unit¹



¹ at Dec 31

Total number of employees by employment contract and gender

	Female	Male	Total
Permanent	1,835 (1,804)	1,323 (1,275)	3,158 (3,079)
Temporary	176 (195)	108 (121)	284 (316)
Total	2,011 (1,999)	1,431 (1,396)	3,442 (3,395)

Calculations are based on employee headcount at Dec 31.

Total number of employees by employment type and gender

	Female	Male	Total
Full-time	1,811 (1,802)	1,358 (1,313)	3,169 (3,115)
Part-time	200 (197)	73 (83)	273 (280)
Total	2,011 (1,999)	1,431 (1,396)	3,442 (3,395)

Calculations are based on employee headcount at Dec 31.

“We offer early support activities that aim to support work ability and well-being at work in a preventive and solution-oriented way.”

Support in exceptional circumstances

2020 was a very different year with regards to our ways of working. As the COVID-19 pandemic raged across the world it brought new well-being risks to Orionees. The pandemic forced us to make many changes that impacted the normal everyday life at work. From the beginning of the pandemic, we aimed to prioritise the safety of employees and the continuum of normal and safe daily operations without interruptions.

Recommendations for remote working were taken into use during the early days of pandemic globally for all employees who could work remotely. We formed a pandemic steering group, consisting of members from the executive management board, logistics, manufacturing, human resources and occupational healthcare. The steering group met regularly and handled all decisions regarding actions, guidance and communications needed during the pandemic. The steering group continues to function in 2021 and will operate as long as is necessary, given the ongoing COVID-19 situation.

The safety of the employees required to work at Orion premises was ensured by restricting all unnecessary access to those premises, requiring the use of masks and providing separate and specific lunch times for production employees to avoid unnecessary contact with others. We also asked employees not to come to work in case of any small symptoms of infection.

Some employees were also offered a separate commute home. Coronavirus testing was performed whenever required.

Occupational healthcare has supported in many ways at all levels of the company in ensuring that production and laboratory operations continue as smoothly as possible. Occupational healthcare services supported employees well-being in the remote working environment in various ways, including the support of an occupational psychologist. The well-being of employees working remotely was also supported by managers and with webinars on remote working, remote leadership and self-leadership.

Personnel

Every Orionee is entitled to an annual review discussion, where individual competence and career development is planned, both for the short and the long term. The goal is to identify current strengths, development opportunities and key competencies needed. The annual discussion process includes a follow-up discussion at least once a year in addition to continuous dialogue between the team member and manager.

All new employees receive a comprehensive induction to Orion as a company and to their role.

In addition to position-specific inductions, Orion has an eOnboarding programme to support the introduction to the company and to our strategy, operational practices and business environment. We also offer trainings and mentoring to support the induction process. Mentoring is also included as part of Orion's summer trainee programme.

Orion's Human Resources Policy provides the framework for equal opportunities plans in all countries in which we have operations, while observing local country-specific legislation. Our sites in Finland comply with the equality plan to support and promote equality at the workplace in recruitment, payroll systems, work-life balance and educational opportunities. We observe the aspects of equality when developing working conditions and operational practices. The working group for the development of equality at our Finnish sites consists of representatives of all employee groups and the employer.

In our Finnish operations, salary equality is assessed using a salary mapping method as specified in the Finnish Act on Equality between Women and Men. The outcome of the mapping is reviewed and assessed by Orion's management and employee representatives and, when necessary, corrective measures are agreed upon.

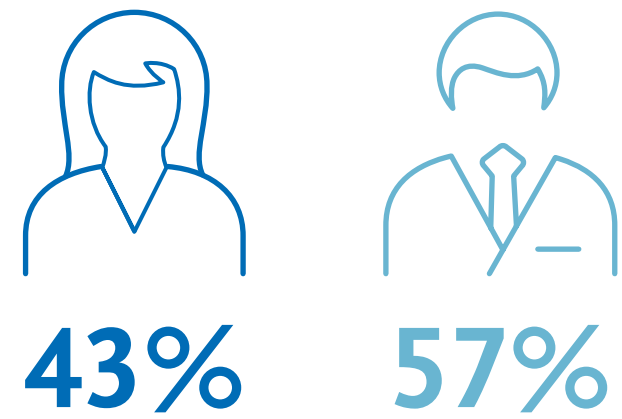
We take the opinions of employees into consideration in the decision-making process regarding human resources and when implementing decisions. In addition to mandatory employer-employee forums, our managers and HR department have regular informal meetings with employees and employee representatives.

Collective bargaining agreements for Finnish employees

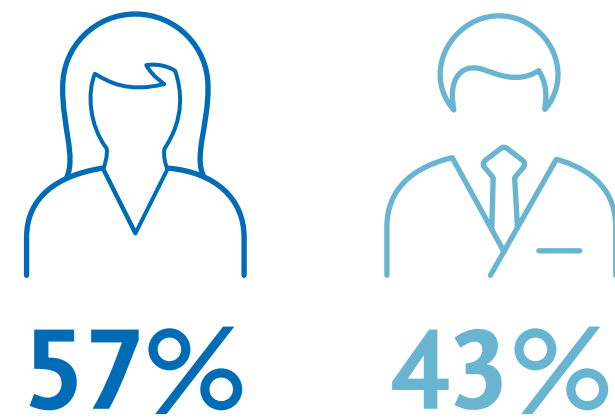
Orion adheres to current employment legislation and the applicable collective bargaining agreements valid in the country of operation. Collective bargaining agreements cover both blue-collar and white-collar employees and exempts in our Finnish locations.

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

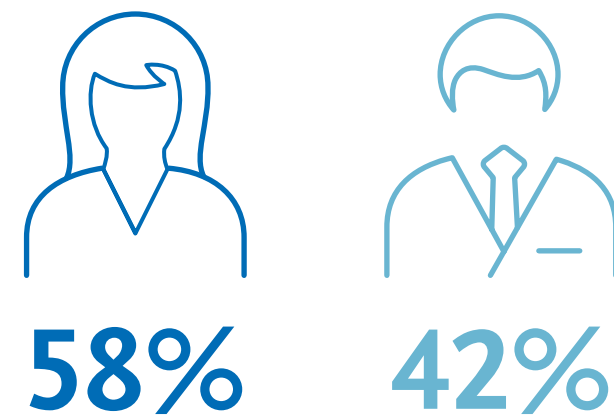
BOARD OF DIRECTORS



EXECUTIVE MANAGEMENT BOARD



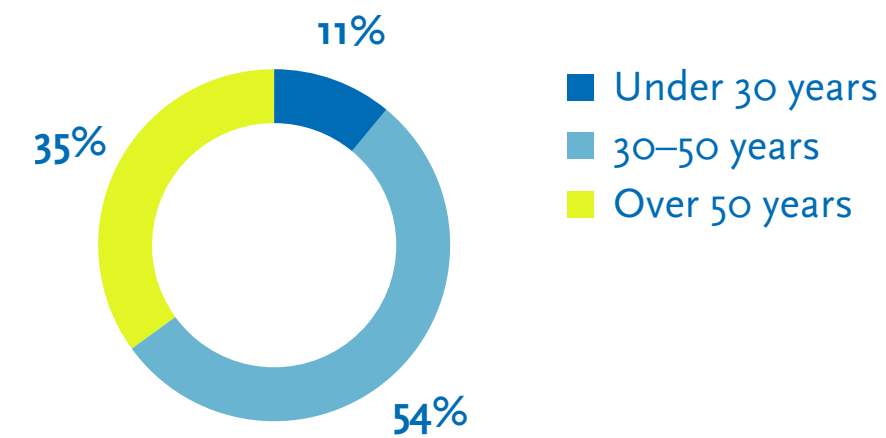
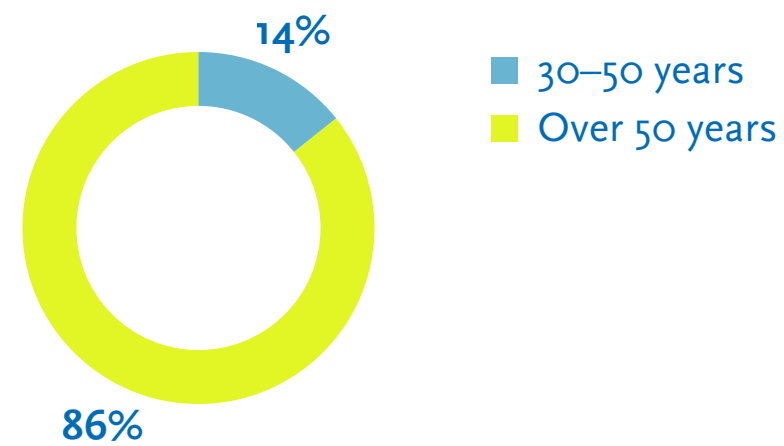
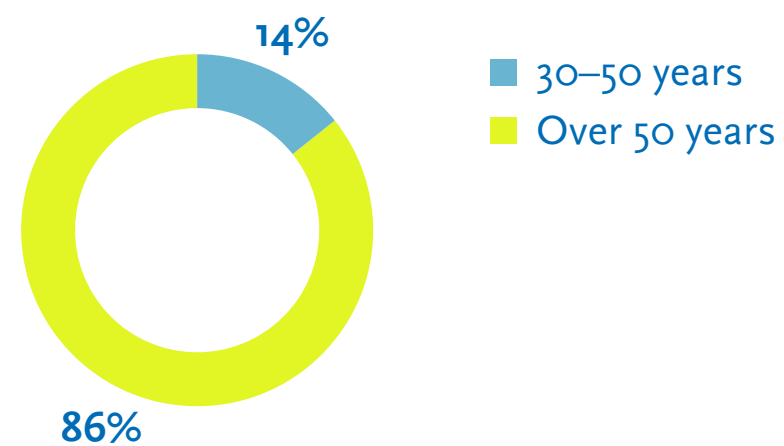
PERSONNEL



Diversity of employees by gender and age

	Female, %	Male, %	Under 30, %	30–50, %	Over 50, %	Total, %
Blue-collar	8.6 (8.6)	13.5 (13.4)	4.3 (4.2)	11.0 (10.8)	6.8 (7.0)	22.1 (22.0)
Exempts	24.9 (24.3)	15.9 (15.6)	3.1 (2.9)	24.3 (24.2)	13.4 (12.8)	40.8 (39.9)
White-collar	24.9 (26.0)	12.2 (12.1)	3.6 (4.4)	18.7 (19.4)	14.8 (14.3)	37.1 (38.1)
Total	58.4 (58.9)	41.6 (41.1)	11.0 (11.5)	54.0 (54.4)	35.0 (34.1)	100.0 (100.0)

Calculations are based on employee headcount at Dec 31.



Calculations are based on headcount at Dec 31 2020.

Coverage of pension obligations

Orion has pension plans in accordance with each country's local regulations and practices. In the defined contribution plans, we pay fixed contributions to separate entities such as pension insurance companies in Finland who manage the pensions. 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 statutory insurance under the Employees' Pensions Act (TyEL) has been arranged through the Orion Pension Fund for the Group's clerical employees and supplementary pension security for some of the clerical employees.

Our pension obligations are listed under Note 4.2 "Pension assets and pension liabilities" of the Financial Statements 2020. At the end of 2020, our pension obligations totalled EUR 417.2 (324.9) million from the Pension Fund and EUR 16.6 (14.9) million from other units. We had a pension net liability of EUR 16.3 (asset of 55.8) million from the Pension Fund and a net liability of EUR 3.7 (liability of 3.4) million to other units.

Promoting competence development

The cornerstone of Orion's success is the expertise of Orionees. It is therefore vital for competitiveness that know-how is kept up to date and that skills are developed and shared. We decided to firmly focus on competence development and supporting Orionees' learning in 2020. Through fostering a learning culture and encouraging experimentation and knowledge sharing we seek to encourage Orionees to integrate continuous learning more actively into their daily work.

At the individual level, we see that a good competence level increases motivation, brings a sense of accomplishment and supports well-being at work. Also, the importance of learning in teams is heightened. We formed a dedicated competence development network within Orion in 2020. The purpose of the network is to identify competence areas that are important for our success and to systematically support development in these areas. In addition, we have a cross-functional learning designers network, sharing best practices on how to design impactful learning solutions. We also utilise external expertise on the latest findings in the field of learning and pedagogy.

New employee hires

	Number of new employee hires	% of new hires	New hire rate
By age group			
Under 30	235	54.9	6.8%
30–50	161	37.6	4.7%
Over 50	32	7.5	0.9%
By gender			
Female	242	56.5	7.0%
Male	186	43.5	5.4%
Total	428	100.0	12.4%

Calculations are based on employee headcount at Dec 31 2020.

Employee turnover

	Number of leavers	% of leavers	Turnover rate
By age group			
Under 30	170	45.0	4.9%
30–50	113	29.9	3.3%
Over 50	95	25.1	2.8%
By gender			
Female	238	63.0	6.9%
Male	140	37.0	4.1%
Total	378	100.0	11.0%

Calculations are based on employee headcount at Dec 31 2020.

Employee turnover includes temporary employees, such as summer employees.

Our aim is to have the necessary competencies for our employees to support the implementation of our strategy. Managers are in a key position in supporting the development of organisational and personnel capabilities. However, every Orioneer is responsible for developing their own competence.

Trainings and on-the-job learning

We provide a wide range of trainings to support continuous learning. Selected trainings are mandatory, such as several Good Manufacturing Practices and environment, health and safety courses. Our training data system helps us manage the competence requirements of individual tasks in our Global Operations and Quality Management operations. For developing competences and ways of working, we offer a training programme called ‘As a specialist in Orion’. The programme includes topics such as business understanding, communication and collaboration.

In addition, several virtual learning options support Orioneers. Due to the restrictions caused by the coronavirus pandemic, we have transferred most of our training programs to a virtual format. We have also designed new e-learning programmes, such as an early support model and support for new managers at Orion. As remote work was widely applied at Orion due to the coronavirus pandemic during 2020, we organised several webinars on well-being, self-leadership and remote leadership. We

transitioned to using Microsoft Teams as in internal collaboration tool, and in order to support the transition to the new tool, we offered multiple Teams trainings for all Orionees.

In 2020, we invested 1.5 million EUR (2.1) in personnel training activities. The decrease in personnel training investments was mainly due to several activities being cancelled or postponed due to the pandemic.

Leadership development

Leadership is one of our strategic competencies and also one area of continuous development. We organise a seven-day ‘As a leader in Orion’ training to implement our leadership culture, policies and principles throughout the company. Training is mandatory for all new managers. We aim for value-based leadership, encourage coaching leadership and offer several trainings to enhance managers’ coaching skills and their ability to implement company values as part of their leadership.

In 2020, we updated our leadership principles and aligned them with Orion’s strategy and values. Our leadership principles outline the Orion way of leading people and how to act as a team member. Key themes for our leadership at Orion are appreciation, collaboration and ownership.

During 2019–2020, we organised the Orion Horizon training program for the sixth time. It is designed for the experienced managers and specialists to develop both participants’ and the organisations’ leadership capabilities. The aim is to accelerate business results by improving capabilities that support the implementation of our strategy.

“The cornerstone of our success is the expertise of Orionees. It is therefore vital that know-how is kept up to date and skills are developed and shared.”

CASE

The Pulse Survey aims to develop Orion's employee experience

Pulse Survey is a means to develop employee experience. A new kind of personnel survey, introduced in 2020, received a good response: In the first survey in spring 2020, the response rate was 73%, and increased to 83% in the second survey conducted in the autumn.

The Pulse Survey measures employee experience, is conducted twice a year and is used as an internal development tool. By participating in the survey, employees can provide feedback and take part in developing Orion as a company.

Each manager receives two survey reports: a summary of the responses for their function and the results of their direct subordinates. Results are then reviewed and discussed within each team and based on the results, development actions are planned. The action plans and progress is followed up by human resources. When needed, human resources supports the planned actions.

The results of the autumn 2020 survey show that we have improved in all areas compared to the results from spring 2020. The most improved statement was "My skills and competencies are utilised in the best possible way".

The implementation of one of Orion's three values, "Appreciate each other", was identified as a group-wide development target: the value needed to be better implemented in everyday activities. After several development plans and actions, the results were improved in the second survey in the autumn. It is evident that actions we implemented helped to deliver a more positive outcome.

The Pulse Survey also tested our statement related to sustainability: "Sustainability is an integral part of Orion's everyday life, decisions and operations". The statement reached the top-3 of the relatively best-performing statements in both surveys made in 2020. In the second survey, 79% of Orion employees agreed or strongly agreed with the statement.

The statements "The goals and targets of my work are clear" and "I would recommend Orion as a workplace" were also in the top-3 Orion Group's best results.

"Sustainability is an integral part of Orion's everyday life, decisions and operations."

4.14/5, TOP-2 STATEMENT
IN PULSE SURVEY AUTUMN 2020

Health and safety

We want to ensure that each and every Orioneer gets to go home after the working day both safe and healthy. We want to provide our employees with a healthy and safe working environment and a fully functioning working 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.

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 ISO45001 standard. In the EHS management system, procedures are determined for predicting, preventing and identifying 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, the employees and management, and its role is to promote occupational health and safety at the workplace.

Occupational health and safety representatives represent employees in the occupational safety cooperation and have the right to attend and speak at the committee's meetings. The committee can suggest improvements concerning working conditions, occupational healthcare, occupational safety, health training, as well as management. The committee also helps to organise activities aimed at maintaining employees' work ability. Committees meet 4–5 times a year. The occupational health and safety representative can help report any weaknesses identified by employees to the employer to find solutions and ensure safety.

We encourage employees and contractors to report safety observations: deviations, positive safety observations and near-misses, via our online EHS platform. The observations can be easily recorded into the database via our intranet and they are accessible to the responsible persons carrying out corrective actions. Safety observations can be reported anonymously. All observations are investigated and they also serve as learning material to prevent future accidents. Employees can also follow the progress of the corrective actions through the EHS platform. There were 2,492 (2,419) safety observations recorded in 2020.

Systematic assessments of risks related to workplace, processes, working conditions and methods were carried out by the occupational health and work

safety organisation. Risk assessments support us in developing safe working conditions forward, and we continued comprehensive risk assessments systematically in 2020. There are different types of risk assessment tools at our disposal, e.g. chemical exposure and machinery safety risk assessments and an analysis of potential risks, and we continue to improve our risk management processes by developing our own processes and operating model.

One of our tools for engaging employees and managers is regular safety walks with safety talks. Regular safety rounds are used for creating safety dialogue among our managers and employees.

All workers have the right to refuse unsafe work and will inform their manager or site contact immediately of all concerns. Change management is applied to occupational and environmental safety, and the impact of GMP (Good Manufacturing Practices) related changes on safety is regularly assessed.

Orion's Third Party Code of Conduct includes occupational health and safety requirements for our suppliers and our sustainable procurement process includes the assessment of suppliers' occupational health and safety impacts. This is done risk-based either as a self-assessment questionnaire or on-site audit.

Occupational healthcare services

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

In Finland, occupational healthcare services are managed and coordinated by the occupational healthcare unit of the HR department, which also provides occupational healthcare services in the Helsinki metropolitan area and Turku. In other locations, the 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, occupational healthcare services are organised in accordance with the country's legislation, guidelines, and recommendations.

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. Work ability oriented medical care supports work ability management, and broad contract enables good research and treatment opportunities when needed.

Occupational healthcare participates in the design and development of workspaces, work processes and tools, bringing an occupational health's perspective to this.

Occupational healthcare actively communicates occupational health services through Orion's internal channels. As part of Orion's general onboarding program, information is provided also about occupational healthcare services. During the pre-employment health check new Orion employees are discussed and informed about occupational healthcare practices. Information on occupational healthcare services is available in Finnish and English.

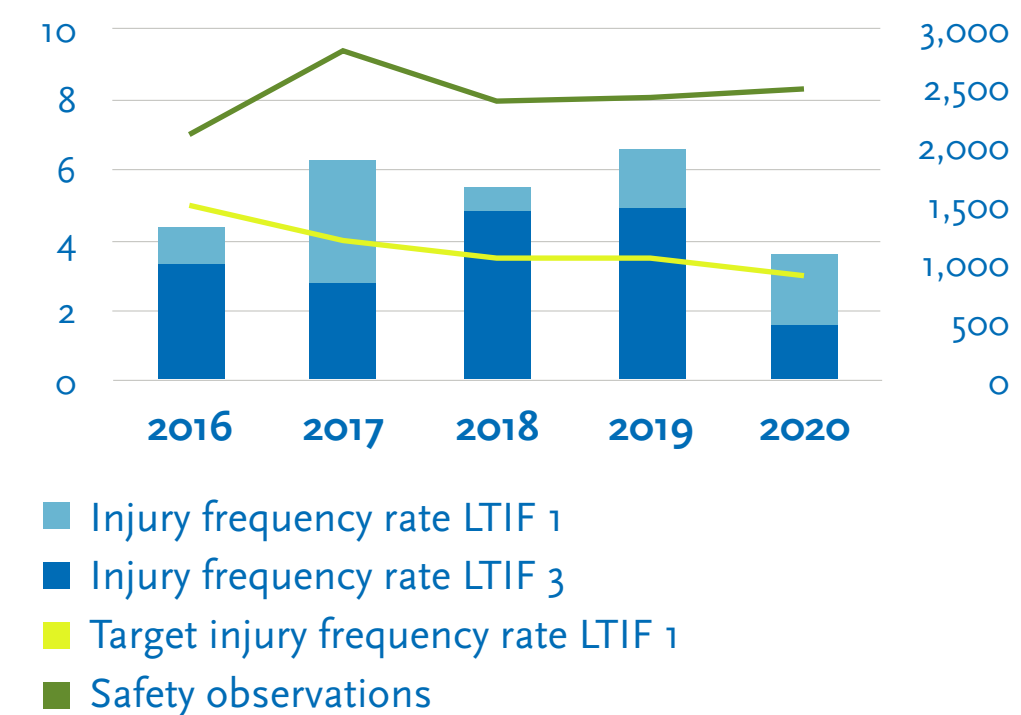
Employee's health-related information is always treated strictly confidentially and we ensure confidentiality when dealing with healthcare information. Orion's occupational healthcare services are operated in accordance with healthcare laws, and the principles of professional ethics related to the protection of privacy and GDPR. The patient systems used by occupational healthcare services are separate from Orion's other information systems.

EHS guidance and training

The general guidelines and principles concerning corporate safety and safe working are provided in our Corporate Governance Manual and Orion Security Guide as well as in more detailed functional 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. All EHS guidelines are maintained in our internal information platform, which is accessible to all our employees.

We emphasise the importance of each employee being aware of occupational health and safety risks, as well as how to manage the risks. Every new Orionee conducts a basic training which includes EHS orientation e-learning training. Because of COVID-19 pandemic, our classroom trainings were replaced by e-learning trainings in 2020. Every Orionee participates annually in a mandatory EHS training to update their competencies on work safety matters. We also organise regular online safety sessions. EHS trainings have been divided into four levels: basic training for all Orionees, task-specific training, training for specialists and training for managers. EHS trainings are an important part of the maintaining of our safety culture. In 2020, we organised 255 (325) training courses, focusing on environment, health and safety, with a total of 2,588 (4,533) attendants and 11 e-learning trainings with total of 2,325 attendants.

Injury frequency rate and safety observations

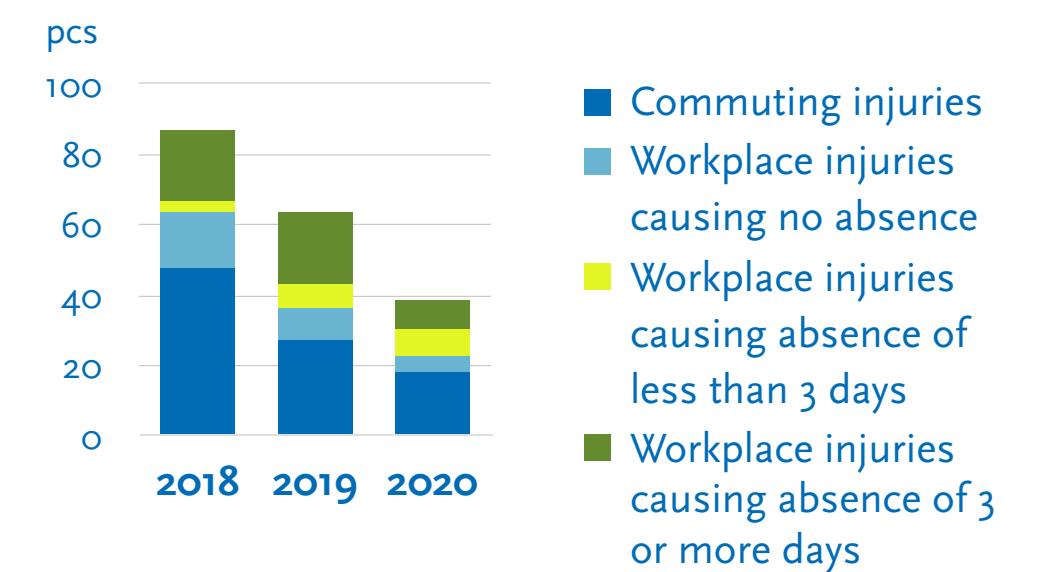


Injury frequency rate, LTIF measures the number of workplace injuries per million working hours.

LTIF 1 includes workplace injuries, which led to an absence of 1 or more days.

LTIF 3 includes workplace injuries, which led to an absence of 3 or more days.

Injuries



Workplace injuries include injuries caused by accidents that occur during working time and which require medical treatment from the doctor or sick leave.

Commuting injuries include injuries caused by accidents that occur when employees are travelling between home and work. The reported commuting injuries in 2018 contain also accidents that did not require medical treatment from a doctor.

In 2020, we continued the implementation of Skills to Care method throughout the company, now training employees from R&D, product life cycle management, commercial operations and corporate functions organisations. The majority of our managers in Finland, approximately 170 in total, were trained in 2020. The Skills to Care method focuses on building a safety mindset and enabling continuous improvement in occupational health and safety. The training will continue in 2021, implemented in regions outside of Finland.

Safety performance

We are committed to improving our safety performance and our long-term target is zero accidents. To monitor our progress toward this target, we have set a group-level key performance indicator of lost time incident frequency of own employees (LTIF 1¹). The short-term target for LTIF 1 in 2020 was 3.0. In 2020, the LTIF 1, decreased to 3.6 (6.6) because of good example and commitment to safety shown by managers. They also encouraged team members to observe safety of their working environment. These actions helped us to approach our targets. Unfortunately we quite did not meet the 2020 target, but we will continue the systematic work to reach our long-term target of zero accidents.

We investigate all injuries with root cause analysis, and the analyses are then utilised to conduct corrective actions. Most of the workplace injuries occur in production departments, being typically foot and hand injuries or caused by tripping and falling. Our employees reported a total of 18 commuting injuries in 2020, i.e. injuries that occurred on their way between their home and the workplace, and commonly sprains caused by slipping when walking or falling when riding bicycles.

¹ Indicates the workplace injury rate as injuries causing an absence of at least one day per million total actual working hours.

Number of injuries and rate of employees¹

	2018	2019	2020
Total number of injuries	39	37	21
of which lost time injuries (LTI) ²	23	28	16
of which high-consequence injury	0	0	0
of which fatalities	0	0	0
Total injury rate	9.4	8.7	4.7
of which lost time injuries (LTIF) ²	5.5	6.6	3.6
of which high-consequence injury	0	0	0
of which fatalities	0	0	0
Hours worked	4,168,962	4,274,440	4,431,474

¹ Reporting covers operations in Finland.

² Excluding fatalities and high-consequence injuries.

Number of injuries and rate of contractors¹

	2018	2019	2020
Total number of injuries	N/A	2	5
of which lost time injuries (LTI) ²	N/A	2	4
of which high-consequence injury	N/A	0	0
of which fatalities	N/A	0	0
Total injury rate	N/A	1.4	3.6
of which lost time injuries (LTIF) ²	N/A	1.4	2.9
of which high-consequence injury	N/A	0	0
of which fatalities	N/A	0	0
Hours worked	N/A	1,466,195	1,373,243

¹ Systematic reporting of contractor injuries and injury rate started in 2019. Reporting covers operations in Finland.

² Excluding fatalities and high-consequence injuries.

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	<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: 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 3.0 by 2020. • Goal: decrease absences due to illness.
RESPONSIBILITIES AND RESOURCES	<p>EHS affairs and services 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 committee (headed by the Director for EHS and Facility Management): approves action plans and conducts management reviews for Orion Corp. • Fermion safety committee (headed by the EHS Manager of Fermion): approves and follows up action plans for Fermion Oy. • EHS virtual team: Group-wide forum of EHS-professionals. Team members responsible for operational work safety activities. • Operational managers: responsible for operations in each location carried out by the EHS Management System and regulatory and legal requirements. <p>HR affairs and services managed and coordinated by the HR Department:</p> <ul style="list-style-type: none"> • 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.



Business ethics and transparency

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 also expect high ethical standards from our partners. We communicate transparently and in a timely manner to our stakeholders.

[▶ READ MORE](#)

BUSINESS ETHICS AND TRANSPARENCY 2020



ETHICAL BUSINESS PRACTICES...55

We launched a Code of Conduct e-learning which is mandatory for all Orionees.

[▶ READ MORE](#)

CONTINUOUS IMPROVEMENT OF SUSTAINABLE PROCUREMENT PRACTICES...57

We continued implementing our improved sustainable procurement process in product, raw material and packaging material procurement. We arranged further internal trainings on sustainability for procurement professionals and made progress in integrating sustainability to the daily work in procurement.

[▶ READ MORE](#)

98%
OF ACTIVE PACKAGING MATERIAL, RAW MATERIAL AND PRODUCT SUPPLIERS CONFIRMED ADHERENCE TO THIRD PARTY COC



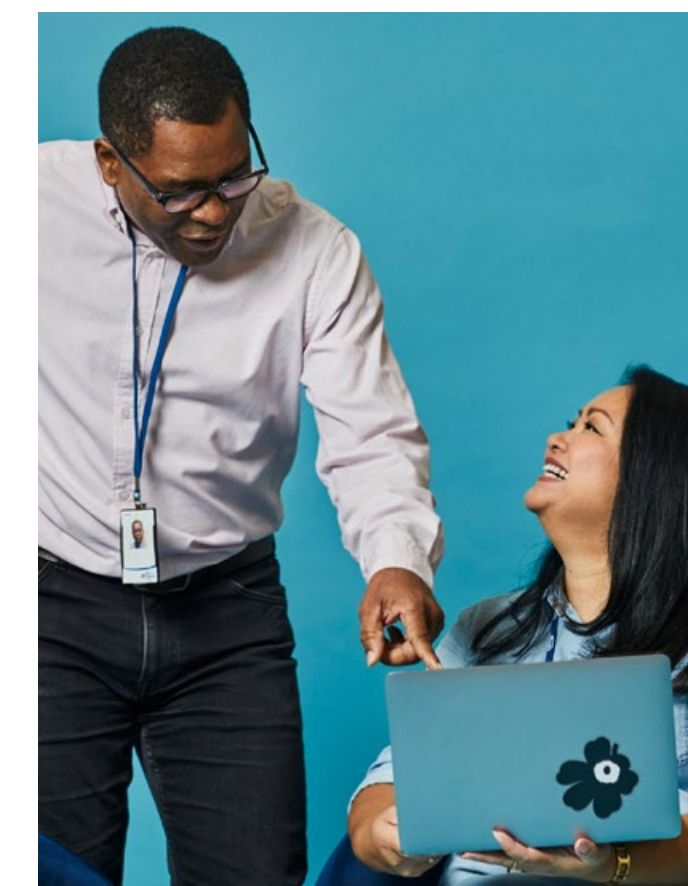
3,410
ORIONEES COMPLETED THE COC E-LEARNING



HUMAN RIGHTS...55

We reviewed our human rights due diligence processes and started the assessment of the human rights impacts of Orion Group.

[▶ READ MORE](#)



PARTNERSHIPS TO GAIN IMPACT...58

Via PSCI membership, Orion offers annual capability building opportunities for suppliers on various topics. In 2020 these events were arranged as virtual meetings.

[▶ READ MORE](#)

Business ethics and transparency

Ethical business practices

We believe responsibility is everybody's business. Orion Group's Code of Conduct (CoC) sets out the operating principles of our company and guides our daily work. Our CoC is structured according to three themes: compliance with laws and regulations, integrity and responsibility, and it is available in 14 languages. It includes "What if?" guidelines to give practical guidance for everyday situations that Orionees or our partners may face. In 2020, we launched a Code of Conduct e-learning which is mandatory for all Orionees, and available in 14 languages. 3,410 Orionees had completed the CoC e-learning by the end of 2020.

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 regularly and systematically educated and trained to internalise the purpose and importance of these principles. Anti-corruption and anti-bribery training is mandatory for all white-collar employees and exempts. The latest large-scale training was arranged in 2017, with a total of 2,808 employees attending. In 2020, 407 employees completed the training. We ensure that the training is completed by all new white-collar employees and exempts.

Identifying and assessing risks related to corruption is part of our comprehensive overall Group risk management. Training and increasing awareness are the most critical actions to mitigate these risks. Assessing bribery risks is also a standard part of preparing for all collaboration agreements, among other things.

Additionally, we have defined specific guidelines concerning competition law, to which every employee is expected to adhere. We arrange training related to competitive legislation and agreements for all the relevant employees.

To report any misconduct, we have a public whistleblowing channel. The channel promotes good governance and ethical operations and serves as a tool to improve processes after reported incidents. We encourage employees and other stakeholders to report any concerns or any suspected misconduct of our company's policies in good faith. We take such reports seriously, investigate and take appropriate, case-specific measures to stop any behaviour and activity which violate our policies. Non-compliance with our policies may lead to a dismissal from employment or the termination of our relationship with third parties.

Orion has an established privacy framework and we continuously develop our practices regarding data protection. We offer our employees GDPR e-learning, and it is mandatory to all employees handling

personal data. No significant personal data breaches were observed in 2020.

There were no material fines or non-monetary sanctions for non-compliance with laws and regulations 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 2020.

We are promoting the company's interests, by taking part in public dialogue and influencing decision-makers. We influence political decision-making mainly via relevant industry associations. All promotion of interest is done in accordance with Orion's general business policy and EU and national regulations. We do not support political activities.

Human rights

At Orion we respect internationally recognised human rights in all of 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 Organization (ILO), and expect the same from our partners. We do not accept activities violating human rights or participate in any such activities. 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.

Human rights are integrated to our corporate governance practices and our supplier management due diligence processes. In 2020 we reviewed our human rights due diligence processes and started the assessment of the human rights impacts of Orion Group. This work continues in 2021. We report our practices on respecting human rights and prevention of corruption and bribery as part of the non-financial reporting in our Financial Statement documents.

We respect the freedom of association of our employees and their right to form trade unions. According to the Group's general principle of legal compliance, Orion follows the legislation and binding collective agreements. This is also recorded in our Human Resources Policy, which is part of the Group's Corporate Governance Manual.

Human rights matters are included to mandatory manager training, which, among other things, focuses on our Human Resources Policy. As part of the Human Resources Policy, employee rights are also regularly discussed in company-wide human resources information sessions.

We were not made aware of any human rights violations in our own operations through the whistleblowing channel in 2020.

CASE

Towards sustainable indirect procurement

Our sustainability journey with our suppliers started by setting sustainability requirements and processes first to direct suppliers. In 2020, we continued this journey by setting an ambitious goal to include our indirect suppliers in our sustainable procurement process.

The supply chain in the pharmaceutical industry does not only consist of direct suppliers delivering raw and packaging materials and finished products, but also a variety of indirect suppliers, providing services and materials to support the industry and the production of pharmaceutical end products. Our aim is to promote sustainability throughout the supply chain and support our suppliers to improve their sustainability performance.

The challenge

Compared to the direct procurement area, the indirect supplier base is typically more diverse, with a large number of suppliers of different sizes and industries worldwide. Developing a model for addressing the indirect spend from a sustainability perspective can be complex. Therefore we developed a risk mapping approach that considered multiple risk factors applicable to the special characteristics of indirect supplier base.

The journey

Developing the risk mapping strategy, we used much effort for a model that would be transparent, straightforward and identify the biggest sustainability risks and potential, to make the most positive impact. Factors we considered were related to industry, spend, geographical location and business criticality. Based on them, we categorised the suppliers as low, medium or high risk suppliers and then required our suppliers specific actions as per our sustainable procurement process.

We required all our medium and high risk suppliers to conduct a sustainability self-assessment questionnaire. High risk suppliers may also be audited. To facilitate the self-assessment questionnaire phase, we collaborated with an external service provider, EcoVadis. They were supporting us in managing the sustainability self-assessment questionnaires of indirect suppliers,

producing scalable supplier scorecards that allow the identification of corrective actions needed. Our collaboration with EcoVadis enabled us to maximize the efficient use of resources and knowledge while speeding up our internal learning process.

On the first wave of the implementation, we focused on our key indirect suppliers by assessing their sustainability maturity. The outcome was impressive: 86% of our key suppliers have either completed or initiated the EcoVadis self assessment process by end of 2020. The results stated that the majority of our key suppliers have a structured and proactive approach on sustainability.

What's next?

The implementation of a more structured sustainability process within our indirect procurement is an iterative learning process. The robustness, transparency and straightforwardness of the process will be reviewed and adjusted, and the workflow will be further simplified. We will continue the implementation by including suppliers to join the assessment based on their sustainability risk levels. The sustainability journey together with suppliers is to continue, aiming at covering our entire procurement spend within our sustainability process.

“We will continue the implementation by including suppliers to join the assessment based on their sustainability risk levels.”

Sustainable global supply chain management

Orion has a vast network of suppliers in over 50 countries. Our supplier base supplies us with packaging materials, raw materials (e.g. active pharmaceutical ingredients) and products. In addition, we rely on outside partners for the supply of services and materials to support our core businesses.

Our goal is to promote best-in-class responsible practices in all 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 limited area of our value chain. For example, the majority of environmental impacts stem from our external supply chain.

Sustainability 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 related requirements. In addition to regulatory requirements, it states the key principles for

business operations concerning sustainability and ethics. By the end of 2020, 98% (79%) of our active packaging material, raw material and product suppliers had confirmed adherence to the Third Party Code of Conduct.

In addition, we expect our product and raw material suppliers to acknowledge and adhere to Orion’s Supplier Sustainability Requirements. It sets the minimum requirements we expect from these suppliers as per our Third Party Code of Conduct, and other requirements for management systems, safe working practices, and environmental, health and safety protection.

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

We utilise either a pharmaceutical industry standard sustainability template compiled by the Pharmaceutical Supply Chain Initiative (PSCI) or EcoVadis’ sustainability assessment for self-assessments. If sustainability risks are seen as high, we can perform on-site sustainability audits in addition to the self-assessments. All audit observations are followed up through a ‘Corrective Action Preventive Action’ plan.

We conduct risk-based audits on our tier 1 suppliers, and also tier 2 suppliers, if they are applicable based on the risk assessment. So far, self-assessments and on-site audits have mainly been done for tier 1 suppliers of packaging materials, raw materials, products and key indirect services and materials.

Among our active packaging material, raw material and product suppliers we have completed in total 112 supplier sustainability assessments and 146 sustainability assessments were ongoing either as self-assessments or on-site audits at the end of 2020. Given the COVID-19 pandemic, we could not conduct on-site audits during 2020, but we continued assessing suppliers sustainability management by utilising supplier self-assessment questionnaires. We intend to use remote audits in 2021 until restrictions on travelling due to COVID-19 are lifted.

Continuous improvement of sustainable procurement practices

In 2020, we continued implementing our improved sustainable procurement process that we launched the previous year in product, raw material and packaging material procurement. We arranged further internal trainings on sustainability for procurement professionals and made progress in integrating sustainability to the daily work in procurement.

SUSTAINABLE PROCUREMENT PROCESS

Risk	Low	Medium	High
Requirement			
Third Party Code of Conduct	●	●	●
Self-assessment Questionnaire		●	●
Audit			●

Our goal is to ensure that our entire supplier base undergo a sustainability evaluation in accordance to our sustainable procurement process. Through improving the way we manage sustainability risks also within indirect procurement, we moved closer towards this goal in 2020. The implementation within indirect procurement will proceed step-by-step.

In 2021, we aim to continue the implementation of sustainability practices in indirect procurement while increasing the focus on sustainability issues in supplier meetings as well. We are also dedicated to further strengthen the sustainability expertise of our personnel involved in procurement process.

Partnerships to gain impact

At Orion, we continuously aim to reduce our environmental burden and manage the social risks in our supply chain. In addition to our own efforts, we see that a common vision and shared responsibility is an effective way to improve and develop best practices in sustainable supply chain management. Orion is a member of the Pharmaceutical Supply Chain Initiative (PSCI), an industry initiative focusing on promoting and improving the pharmaceutical supply chain in the areas of labour, ethics, environment, health and safety, and responsible procurement practices. We actively participate in PSCI committees, share information within the network and utilise the sustainable supply chain management tools by PSCI. Via PSCI membership,

Orion offers annual capability building opportunities for suppliers on various topics. In 2020 these events were arranged as virtual meetings, in which 32 of Orion's suppliers participated.

We aim to be a driver in improving environment, ethics, labour and human rights practices throughout the supply chain. We partnered with EcoVadis in June 2020, engaging especially with the indirect suppliers in our joint effort towards sustainable practices, and for assessing and managing our supply chain risks. EcoVadis Sustainable Supply Management platform helps deliver consistent and robust assessment throughout the supply chain. It also provides enrolled suppliers avast amount of applicable information to support performance improvement if given a suggested corrective action plan.

Communications

As a pharmaceutical company, our communication has to be reliable, transparent, comprehensive and timely. As a public listed company, we fulfill our disclosure obligations diligently. We develop our corporate communications actively, and aim to utilise different communication channels and tools in a versatile, yet purposeful manner. Our focus is on the good quality of the contents of our financial statements and our website, aiming to provide capital markets and shareholders with up-to-date

information about the Group's operations and performance. We also organise regular meetings with investors globally.

Our sales and marketing organisations for pharmaceuticals follow primarily the locally valid legislation concerning medicinal products, marketing, consumers and competition, the International Code on Advertising and Marketing Communication Practice as well as the Orion Group's Code of Conduct and internal guidelines, which adhere to the principles to the EFPIA Codes of Practice.

The management responsibilities in our pharmaceutical sales and marketing operations have been arranged to meet the requirements of the relevant legislations in their respective countries, as well as Orion's relevant standard operational procedures and internal codes. We organise training for our sales and marketing organisation on the industry codes and Orion's principles on a regular basis.

When preparing marketing 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.

Collaboration principles

Doctors and other healthcare professionals, as well as the organisations they work for, are important collaboration partners for the pharmaceutical industry. They provide valuable clinical expert knowledge for the development and improvement of medicinal treatments. Healthcare professionals can in turn benefit from further education and 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 13,500 healthcare professionals, including doctors, pharmacists, medical students and nurses.

In order 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 all 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 our website.

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

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 by organising events.

Orion supports many patient organisations in their important social role. Additionally, we collaborate with several patient organisations in developing and co-creating innovative and meaningful solutions for patients to make a positive difference in their daily life and to improve outcome.

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

Economic responsibility

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

- Growing net sales more rapidly than the growth of the pharmaceuticals market. Achieving this requires continuous investment in developing the product portfolio.
- Maintaining profitability at a good level, aiming for operating profit exceeding 25% of net sales.
- Keeping the equity ratio at least at 50%.
- Distributing an annual dividend, which in the next few years is at least EUR 1.30 per share, and increasing it in the long term.

What happens in the short term may deviate us from the objectives.

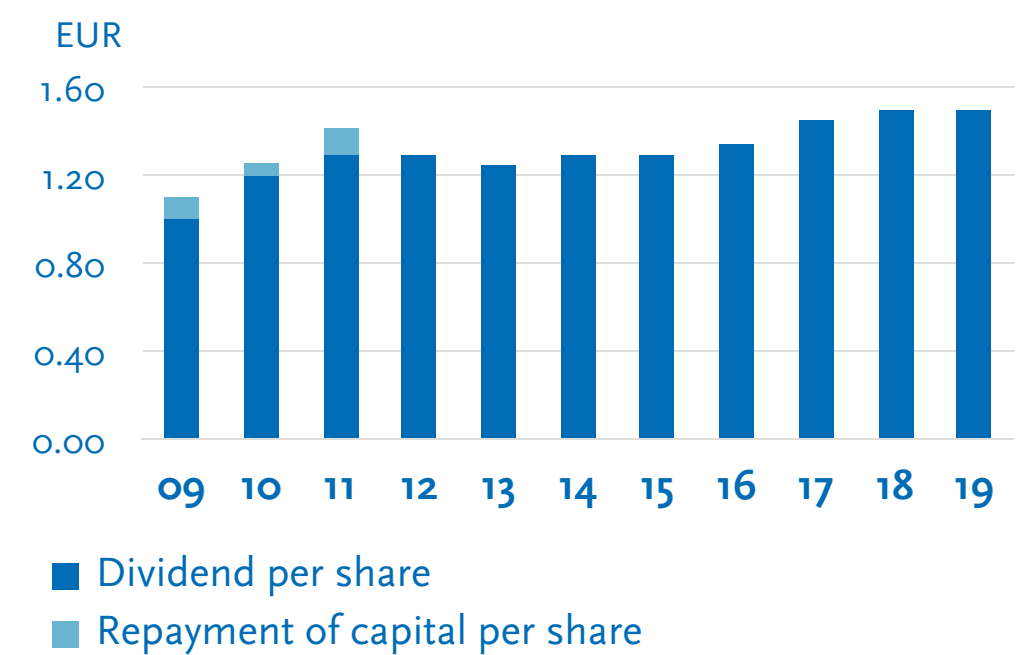
According to our dividend policy, we take into account the distributable funds, the capital expenditure and other financial requirements in the medium and long term. In the challenging economic situation and the changing business environment over the recent years, we have been able to grow, operate profitably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

We are committed to paying all legally due taxes and meeting all disclosure requirements in the countries we operate in. We have paid the taxes due on the good and stable financial result regularly and on time. In 2020, our taxes and withholding taxes amounted to EUR 131 (116) million. Our largest direct economic impacts come from the employment opportunities we provide. Our shareholder base is diverse, with 72,003 registered shareholders at the end of 2020. The largest shareholder group consists of private Finnish households, which held about 39% of our total shares and 61% of the total votes at the end of 2020.

Donations

Most of the annual donations made by the Orion Group are based on the Annual General Meeting and its decision to donate part of the distributable funds of Orion 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 to our Donations Policy.

Orion share dividend per share, 2009–2019



Donations for purposes of public interest, EUR¹

	2018	2019	2020
Donations	250,000	250,000	250,000

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.

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. We have operations in all the countries surrounding the Baltic Sea and have been the main partner of the John Nurminen Foundation since 2018. As the main partner of the foundation, we are committed to promoting the protection of the Baltic Sea. In 2020, we supported the #OURSEA campaign to raise awareness in many ways, and to collect funds for the work of the John Nurminen Foundation. We supported the campaign by donating EUR 48,000, which will be used for John Nurminen Foundation's various Baltic Sea projects.

MANAGEMENT OF BUSINESS ETHICS AND TRANSPARENCY

MANAGEMENT APPROACH	Committed to promoting high ethical standards by always striving to be better. Expecting the same standards from our partners. Transparency to maintain and build trust.
MATERIAL DISCLOSURE TOPICS	Material Orion topics: <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 signed Third Party Code of Conduct (CoC)
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, Supplier Sustainability Requirements.
GOALS AND TARGETS	<ul style="list-style-type: none"> • All employees trained on CoC principles. • All white-collar employees and exempts regularly trained on anti-corruption and bribery matters. All new employees trained. • 100% of active packaging material, raw material and product suppliers to sign 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 CoC and other related matters. • 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. • Global Medical Affairs, in collaboration with the Global Commercial Operations: responsible for our compliance with the legal requirements concerning the marketing of pharmaceuticals in all countries where we are present. • 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 investigated and if appropriate, case-specific measures to stop behaviour and activity 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 2020 includes information about Orion's sustainability performance and major milestones during 2020. 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

Orion has reported on its sustainability performance since 2009. Sustainability data is published annually. In addition, non-financial information has been included in Orion's Financial Statements documents since 2017. A materiality analysis conducted in 2018 is the basis for defining reporting scope and indicators.

The 2020 Sustainability Report is in accordance with the Core option of the Global Reporting Initiative Standards (GRI 2016, 2018). 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.

Report contents, material topics and topic boundaries have been defined in accordance with 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 63–67.

The materiality, principles and boundaries used in this report, as well as the key stakeholder groups have been confirmed by the Executive Management Board. The Board of Directors oversees all matters concerning sustainability and approves the Sustainability Report for publication.

The scope of our reporting

Our sustainability report principally covers group-wide operations. The data represents all of our operational locations and is reported according to the group structure.

Environmental management data only includes Finnish sites, as all of our manufacturing units are located within Finland and so the majority of the environmental impact of our operations occurs there. The 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) are reported according to the GHG Protocol.

Occupational health and safety data includes only Finnish sites. Approximately 80% of our employees are located within Finland, where our production units are also located. We collect occupational health and safety data also from our operational units outside of Finland, but do not report the data as part of our sustainability reporting.

Personnel data and data on Orion-specific topics covers the entire Orion Group unless otherwise stated.

Reporting covers the full reporting year 2020, unless otherwise specified. 2019 figures are shown in brackets for selected indicators.

The following organisational groupings are used in data collection and reporting:

ORION GROUP

Orion Corporation

Pharmaceutical operations and Head Office functions in Espoo
 Pharmaceutical operations in Turku
 Pharmaceutical operations in Kuopio
 Pharmaceutical operations in Salo
 Foreign Orion Pharma marketing subsidiaries and FinOrion Pharma India Pvt. Ltd.

Fermion Oy

API manufacturing in Hanko
 API manufacturing in Oulu
 API R&D unit in Espoo

GRI content index

SR = Sustainability Report 2020
 CG = Corporate Governance Statement 2020
 FS = Financial Statements documents 2020

GRI STANDARD	CONTENT INDICATOR	LOCATION	COMMENTS	OMISSIONS	ASSURANCE
GRI 102: GENERAL DISCLOSURES 2016					
ORGANIZATIONAL PROFILE					
102-1	Name of the organization	See comments	Orion Corporation		
102-2	Activities, brands, products, and services	SR 4–5			
102-3	Location of headquarters	See comments	Orionintie 1 A FI-02200 Espoo, Finland		
102-4	Location of operations	SR 5			
102-5	Ownership and legal form	See comments	Orion Oyj is a public company and its shares are listed on the Nasdaq Helsinki.		
102-6	Markets served	SR 5			
102-7	Scale of the organization	SR 4–5, 43			
102-8	Information on employees and other workers	SR 43			
102-9	Supply chain	SR 57–58			
102-10	Significant changes to the organization and its supply chain	See comments	We established new subsidiaries in Singapore, Thailand and Malesia.		
102-11	Precautionary Principle or approach	See comments	Orion has a comprehensive risk management approach that includes management of risks to the environment. More information CG 11–20.		
102-12	External initiatives	SR 13			
102-13	Membership of associations	SR 13			
STRATEGY					
102-14	Statement from senior decision-maker	SR 6			
102-15	Key impacts, risks, and opportunities	FS 20–25			
ETHICS AND INTEGRITY					
102-16	Values, principles, standards, and norms of behavior	SR 12			
102-17	Mechanisms for advice and concerns about ethics	SR 55			
GOVERNANCE					
102-18	Governance structure	SR 16			

GRI STANDARD	CONTENT INDICATOR	LOCATION	COMMENTS	OMISSIONS	ASSURANCE
STAKEHOLDER ENGAGEMENT					
102-40	List of stakeholder groups	SR 17–18			
102-41	Collective bargaining agreements	SR 44	We do not collect data outside of Finland. Bargaining agreements are handled according to local legislation and customs in all operating countries.		
102-42	Identifying and selecting stakeholders	See comments	The key stakeholders have been defined based on the criteria such as expectations of the stakeholder groups towards us and their importance to our business.		
102-43	Approach to stakeholder engagement	SR 17–18	Orion is involved with a number of stakeholder groups with whom our Group and its representatives interact, which are both affected by our activities and can directly or indirectly affect our business and performance. We continuously engage with our stakeholders to promote Orion's and its stakeholders' interests. Stakeholder feedback is systematically collected and utilised to develop our operations accordingly.		
102-44	Key topics and concerns raised	SR 17–18			
REPORTING PRACTICE					
102-45	Entities included in the consolidated financial statements	FS 88			
102-46	Defining report content and topic Boundaries	SR 62			
102-47	List of material topics	SR 62			
102-48	Restatements of information	See comments	History data on environmental performance and occupational health and safety has been restated due to development in EHS-reporting process, which has enabled us to improve the data quality of history data.		
102-49	Changes in reporting	See comments	No significant changes.		
102-50	Reporting period	See comments	January 1, 2020–December 31 2020		
102-51	Date of most recent report	See comments	Orion's Sustainability Report 2019 was published on April 29, 2020.		
102-52	Reporting cycle	See comments	Annual		
102-53	Contact point for questions regarding the report	See comments	Orion Corporation Orionintie 1A, P.O. Box 65 FI-0210 Espoo, Finland Phone: +358 10 4261 www.orion.fi/en		
102-54	Claims of reporting in accordance with the GRI Standards	SR 62			
102-55	GRI content index	SR 63–67			
102-56	External assurance	SR 72			

GRI STANDARD	CONTENT INDICATOR	LOCATION	COMMENTS	OMISSIONS	ASSURANCE
GRI 103: MANAGEMENT APPROACH 2016					
103-1	Explanation of the material topic and its Boundary	SR 10–11, FS 20–25			
103-2	The management approach and its components	SR 27, 40, 52, 60			
103-3	Evaluation of the management approach	SR 27, 40, 52, 60			
SPECIFIC STANDARD DISCLOSURES					
GRI 200: ECONOMIC STANDARD SERIES					
ECONOMIC PERFORMANCE					
201-1	Direct economic value generated and distributed	FS 39, SR 71		Reporting does not incl. purchases from suppliers of goods and services	
201-3	Defined benefit plan obligations and other retirement plans	SR 46			
ANTI-CORRUPTION					
205-2	Communication and training about anti-corruption policies and procedures	SR 55			
GRI 300: ENVIRONMENT STANDARD SERIES					
MATERIALS					
301-1	Materials used by weight or volume	SR 33, 69			
ENERGY					
302-1	Energy consumption within the organization	SR 69	Data covers all Finnish locations. We don't collect data from locations outside of Finland.		x
302-4	Reduction of energy consumption	SR 69	Data covers all Finnish locations. We don't collect data from locations outside of Finland.		x
WATER					
303-1 (2018)	Interactions with water as a shared resource	SR 37			
303-2 (2018)	Management of water discharge-related impacts	SR 37			
303-3 (2018)	Water withdrawal	SR 69			
303-4 (2018)	Water discharge	SR 69			
303-5 (2018)	Water consumption	SR 69			
EMISSIONS					
305-1	Direct (Scope 1) GHG emissions	SR 69	Data covers all Finnish locations. We don't collect data from locations outside of Finland.		x
305-2	Energy indirect (Scope 2) GHG emissions	SR 69	Data covers all Finnish locations. We don't collect data from locations outside of Finland.		x
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	SR 69	Reporting includes VOC emissions.		

GRI STANDARD	CONTENT INDICATOR	LOCATION	COMMENTS	OMISSIONS	ASSURANCE
EFFLUENTS AND WASTE					
306-2 (2016)	Waste by type and disposal method	SR 35			x
ENVIRONMENTAL COMPLIANCE					
307-1	Non-compliance with environmental laws and regulation	SR 39			
SUPPLIER ENVIRONMENTAL ASSESSMENT					
308-1	New suppliers that were screened using environmental criteria	SR 57	Screening covers all active packaging material, raw material and product suppliers.		x
GRI 400: SOCIAL STANDARD SERIES					
EMPLOYMENT					
401-1	New employee hires and employee turnover	SR 46			
OCCUPATIONAL HEALTH AND SAFETY					
403-1 (2018)	Occupational health and safety management system	SR 49			x
403-2 (2018)	Hazard identification, risk assessment, and incident investigation	SR 49			x
403-3 (2018)	Occupational health services	SR 49–50			x
403-4 (2018)	Worker participation, consultation, and communication on occupational health and safety	SR 49			x
403-5 (2018)	Worker training on occupational health and safety	SR 50–51			x
403-6 (2018)	Promotion of worker health	SR 43–44, 49–50			x
403-7 (2018)	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 49, 57			x
403-9 (2018)	Work-related injuries	SR 51			x
TRAINING AND EDUCATION					
404-2	Programs for upgrading employee skills and transition assistance programs	SR 46–47			
DIVERSITY AND EQUAL OPPORTUNITY					
405-1	Diversity of governance bodies and employees	SR 45			
SUPPLIER SOCIAL ASSESSMENT					
414-1	New suppliers that were screened using social criteria	SR 57	Screening covers all active packaging material, raw material and product suppliers.		x
SOCIOECONOMIC COMPLIANCE					
419-1	Non-compliance with laws and regulations in the social and economic area	SR 55			

GRI STANDARD	CONTENT INDICATOR	LOCATION	COMMENTS	OMISSIONS	ASSURANCE
ORION SPECIFIC TOPICS					
Own indicator	Pharmaceutical product availability in Finland	SR 19			x
Own indicator	Inspections and audits by third parties	FS 25			x
Own indicator	Audits by Orion	FS 25			x
Own indicator	Product recalls	SR 19			x
Own indicator	Hazardous waste per total waste	SR 19			x
Own indicator	Absence rate due to illness	SR 19			x
Own indicator	Code of Conduct training	SR 19			x
Own indicator	Anti-corruption and anti-bribery training	SR 19			x
Own indicator	Human rights violations in our own operations reported in the whistleblowing channel	SR 55			
Own indicator	Active packaging material, raw material and product suppliers confirmed adherence to Third Party Code of Conduct	SR 19			x

Key figures

PATIENT SAFETY AND ENSURING RELIABLE SUPPLY OF MEDICATIONS	2018	2019	2020
Product recalls due to product defects total, pcs	8	7	9
Product recalls due to product defects, medicinal product events, pcs	6	5	9
Class 1 (Critical)	2	0	1
Class 2 (Major)	1	2	0
Class 3 (Minor)	3	3	8
Product recalls due to product defects, non-medicinal, pcs	2	2	0
Number of inspections and audits of Orion's operations¹	61	88	42
Inspections by authorities	13	29	13
Audits by collaboration partners	48	59	29
Critical observations	0	1	0
Number of audits undertaken by Orion²	238	251	152
Critical observations	10	9	2
Rejection	1	5	4
Number of customer complaints about the Pharmaceutical business (ppm)³	56	76	76

¹ Inspections and audits of Good Practices (GxP), sustainability and other audits

² Good Practices (GxP) and sustainability audits

³ The number of customer complaints about the operations of the Pharmaceuticals business is reported as the number per million packages (ppm).

BUSINESS ETHICS AND TRANSPARENCY	2018	2019	2020
Code of Conduct training, number of participants ¹	n/a	n/a	3,410
Anti-corruption and anti-bribery training, number of participants ²	318	409	407
Active packaging material, raw material and product suppliers confirmed adherence to Third Party CoC ³ , %	n/a	79	98

¹ Training started in 2020. 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 Participants in training: all individuals who completed the training in the course of the year, incl. those in part-time, temporary and past employment.

³ Reporting started in 2019.

MANUFACTURING PRODUCTS IN AN ENVIRONMENTALLY SUSTAINABLE WAY	2018	2019	2020
Production volumes by type of product total, tonnes	2,795	2,619	2,851
Tablets	1,502	1,332	1,437
Injection products	45	60	45
Gels and ointments	816	836	908
Liquid preparations	250	208	244
Active pharmaceutical ingredients, API	182	183	217
Use of materials total, tonnes	13,677	14,986	16,131
Direct manufacturing materials	9,436	10,706	11,521
Packaging materials	4,241	4,280	4,610
Share of recycled materials (recycled solvents) of total materials	15%	16%	18%
Waste total, tonnes	13,725	15,123	16,306
Hazardous waste total, tonnes	11,182	12,633	13,281
Materials recovery: reuse, recycle, composting, recovery	4	37	45
Energy recovery	5	3	2
Incineration, mass burn ¹	11,172	12,592	13,055
Landfill	0	0	179
Other ²	0	0	0
Non-hazardous waste total, tonnes	2,543	2,490	3,025
Materials recovery: reuse, recycle, composting, recovery	1,764	1,710	2,076
Energy recovery	745	687	709
Incineration, mass burn	30	94	63
Landfill	4	0	177
Other ²	0	0	0
Share of hazardous waste	81%	84%	81%
Water withdrawal and consumption total, 1,000 m³	256	268	302
Orion Corporation	205	195	232
Fermion Oy	51	73	70

¹ Hazardous waste incineration includes waste streams that are pre-treated by evaporation before incineration.

² Other includes deep well injection, on-site storage and all other means.

MANUFACTURING PRODUCTS IN AN ENVIRONMENTALLY SUSTAINABLE WAY	2018	2019	2020
Wastewater discharges			
Volume, m ³	275,000	274,000	306,222
BOD, tonnes	149	230	433
COD, tonnes	254	379	677
TSS, tonnes	24	21	20
Nitrogen, tonnes	11	14	10
Phosphorous, tonnes	0.8	0.9	0.8
Energy consumption total, MWh	155,198	158,442	151,303
Direct energy consumption total, MWh	13,593	13,453	15,126
Light fuel oil	1,189	470	486
Natural gas	12,404	12,983	14,640
Indirect energy consumption total, MWh	141,605	144,989	136,176
District heat	42,917	47,120	39,244
Steam	29,714	30,278	29,009
Electricity	68,974	67,591	67,923
Energy consumption by reporting unit, MWh			
Orion Corporation	106,171	102,742	103,075
Fermion Oy	49,028	55,700	48,228
Energy savings, MWh	1,074	1,422	237
Electricity	-346	144	237
Heat	1,420	878	0
Fuels	0	400	0
CO₂ emissions from energy consumption total, tonnes	39,581	20,123	18,611
Scope 1, direct emissions	2,788	2,838	3,102
Scope 2, indirect emissions (market-based)	36,793	17,285	15,509
Scope 2, indirect emissions (location-based)	23,521	23,909	22,286
Other significant air emissions, tonnes			
Volatile organic compounds (VOC)	79	108	95
Environmental expenditures and investments total, EUR 1,000	5,896	6,818	6,093
Environmental investments	396	1,263	1,064
Environmental protection expenses	5,500	5,555	5,029

RESPONSIBILITY FOR ORIONEES	2018	2019	2020
Absenteeism due to illness, hours	170,697	180,208	172,188
Absentee rate due to illness	3.1%	3.3%	3.0%
Absenteeism due to injuries, hours	2,696	8,696	2,272
Work time lost due to absenteeism, hours	173,393	188,904	174,460
Absentee rate, all absences	3.5%	3.7%	3.4%
Injury events total	87	64	39
Workplace injuries causing absence of 3 or more days	20	21	9
Workplace injuries causing absence of less than 3 days	3	7	7
Workplace injuries causing absence, total	23	28	16
Workplace injuries causing no absence	16	9	5
Workplace injuries total	39	37	21
Commuting injuries	48	27	18
Fatalities	0	0	0
Injury rate LTIF 1	5.5	6.6	3.6
Injury rate LTIF 3	4.8	4.9	2.0
Actual working hours	4,168,962	4,274,440	4,431,474
Theoretical working hours	4,960,848	5,081,023	5,187,059

RESPONSIBILITY FOR ORIONEES	2018	2019	2020
Personnel at the end of the period	3,154	3,265	3,311
Average personnel during the period	3,179	3,251	3,337
Number of employees by region at 31 Dec	3,154	3,265	3,311
Finland	2,485	2,594	2,615
Other Nordic countries	92	90	85
Germany	81	89	94
UK and Ireland	52	49	51
Russia	84	77	75
India	152	147	146
Other countries	208	219	245
Employees outside Finland total	669	671	696
Number of employees by reporting unit at 31 Dec	3,154	3,265	3,311
Orion Corporation	2,173	2,263	2,275
Fermion Oy	344	354	364
Foreign subsidiaries	637	648	672
Number of employees by employee category at 31 Dec	3,154	3,265	3,311
Blue-collar	712	719	731
White-collar	1,230	1,243	1,229
Exempts	1,212	1,303	1,351
Average duration of employment, years	11.3	11.1	11.3

FINANCIAL PERFORMANCE	2018	2019	2020
Net sales, EUR million	977.5	1,051.0	1,078.1
Operating profit, EUR million	252.8	252.8	280.1
% of net sales	25.9%	24.1%	26.0%
Profit before taxes, EUR million	248.4	250.8	278.3
% of net sales	25.4%	23.9%	25.8%
Income tax expense, EUR million	51.0	50.5	58.4
R&D expenses, EUR million	104.0	119.3	123.2
% of net sales	10.6%	11.3%	11.4%
Capital expenditure, EUR million	64.8	42.6	48.5
% of net sales	6.6%	4.0%	4.5%
Assets total, EUR million	1,146.7	1,035.7	1,115.6
Equity ratio, %	68.8%	76.7%	66.7%
ROCE (before taxes), %	44.3%	29.9%	34.8%
ROE (after taxes), %	45.5%	25.8%	29.1%
Personnel expenses, EUR million	200.7	217.1	227.0

Independent Assurance Report

To the Management and Stakeholders of Orion Corporation

Scope and Objectives

The Management of Orion Corporation (“Orion”) commissioned us to perform a limited third-party assurance engagement regarding sustainability performance data (“Sustainability information”) disclosed in the Non-financial reporting in the Report by the Board of Directors in Orion Financial Statement documents 2020 and in the Targets and performance table in Orion Sustainability Report 2020 for the period of 1st January to 31st December 2020. The assurance engagement was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’.

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 the Sustainability information is not fairly stated and has not been prepared, in all material respects, in accordance with the Reporting criteria.

Responsibilities

Orion is responsible for the collection, calculation, and presentation of the Sustainability information according to the Reporting criteria. The Management of Orion has approved the Sustainability information disclosed in the report. Our responsibility as assurance providers is to express an independent conclusion on the Sustainability information subject to the limited assurance engagement. To assess the Sustainability information, which includes an assessment of the risk of material misstatement in the report, we have used Global Reporting Initiative’s GRI-standards (2016, 2018) and Orion’s internal reporting instructions (the “Reporting criteria”).

Assurance Provider’s Independence and Competence

We have conducted our assessment as independent and impartial from the reporting organisation. We were not committed to any assignments for Orion that would conflict with our independence, nor were we involved in the preparation of the report. Our team consists of competent and experienced sustainability reporting experts, who have the necessary skills to perform an assurance process.

Basis of Our Opinion

Assurance providers are obliged to plan and perform the assurance process so as to ensure that they collect adequate evidence for the necessary conclusions to be drawn. The procedures selected depend on the assurance provider’s judgement, including their assessment of the risk of material misstatement adhering to the Reporting criteria.

Our opinion is based on the following procedures performed:

- Interviews with Orion’s specialists responsible for data collection and reporting of the Sustainability information.
- Review of systems and procedures to generate, collect and report the Sustainability information for the Group reporting.
- Assessment of calculations and data consolidation procedures and internal controls to ensure the accuracy of the Sustainability information.
- Testing the accuracy and completeness of the Sustainability information from original documents and systems on a sample basis.
- Review of data sources, data generation and reporting procedures at the Orion’s manufacturing sites in Espoo and Oulu, Finland.

Inherent limitations

Our assurance relies on the premise that the data and information provided by Orion to us as part of our review procedures have been provided in good faith. Because of the selective nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities may not have been detected. For instance, greenhouse gas (GHG) emissions calculations are subject to inherent limitations, given the nature and the methods used for determining such data. Finally, the selection of different but acceptable measurement techniques may result in materially different measurements.

Helsinki, Finland, 1st February 2021

Mitopro Oy

Mikael Niskala

Independent
Sustainability Practitioner

Tomi Pajunen

Independent
Sustainability Practitioner