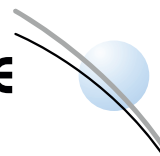


Dermapharm Holding SE (Group) –

UK Modern Slavery Act Statement 2020

Dermapharm Holding SE



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Declaration of **Dermapharm Holding SE (Group)**, and all related subsidiaries, on joining the UK Modern Slavery Act 2015 for the financial year 2020.

1. Compliance with our obligations under the UK Modern Slavery Act

In this statement, we present our company's principles and guidelines for avoiding any kind of "slavery" and "human trafficking" (synonyms used for the offences: child labour, forced prostitution, forced labour and all forms of exploitation, as well as physical and psychological abuse of workers) and explain the measures taken by the Dermapharm Group to prevent such activities.

Aside from the obligation imposed by the UK legislation, the Dermapharm Group believes it is its moral and social responsibility to issue this statement against any modern forms of slavery.

The Dermapharm Group respects the internationally recognised human rights and supports compliance therewith. Our organisation categorically rejects all forms of child labour and forced or compulsory labour. Fair and performance-based remuneration serves as an important standard of good corporate governance for the Dermapharm Group.

For this reason, we want to live up to our responsibility as the Dermapharm Group and voice our commitment to the UK Modern Slavery Act publicly.

This serves to reaffirm our commitment to taking decisive action against modern slavery and human trafficking and to continue to work hard to ensure that risks of human rights violations do not occur in our own business activities or within our supply chain(s).

2. Our business and organisation

Dermapharm is a leading manufacturer of patent-free branded pharmaceuticals for selected markets in Germany. Founded in 1991, the company is based in Grünwald near Munich and has its main manufacturing facility in Brehna near Leipzig. The company's integrated business model comprises in-house development, in-house production and distribution of pharmaceuticals and other healthcare products for specifically targeted markets by a trained medical and pharmaceutical sales force. Dermapharm has more than 1,300 marketing authorisations (Arzneimittelzulassungen) with more than 380 active pharmaceutical ingredients, which are marketed as pharmaceuticals, dietary supplements or supplemental balanced diets. Besides Germany, the company's core markets also include Austria and Switzerland. Dermapharm's business model also includes a parallel import business that operates under the "axicorp" brand. In the "Herbal extracts" segment, Dermapharm has access to the growth market for herbal pharmaceuticals through the Spanish company Euromed S.A., one of the leading manufacturers of herbal extracts and natural active ingredients.

The Dermapharm Group aims to reproduce the key stages of the value chain in its own production facilities. This in-house production strategy is in large part the key to the economic success of our business, it ensures the high quality of our products and enables the targeted application of sustainable processes and enforcement of our ethical principles.

The Dermapharm Group is committed to Germany as a production location, where approximately 90% of the products are manufactured in its own factories in accordance with Good Manufacturing Practice (GMP) standards. Dermapharm's subsidiaries, mibe GmbH Arzneimittel and mibe L&S GmbH & Co. KG, are major employers in the Leipzig-Halle-Bitterfeld region and since their inception in 2003 have been responsible for creating around 650 jobs.

They are illustrative for the entire Group of all the stages along the value chain, from the development of new products to licensing activities, including the design of clinical studies, to production, quality management and logistics. Other major locations in Germany are the operating facilities of Trommsdorff, Anton Hübner, Allergopharma and the axicorp Group, located near the cities of Aachen, Freiburg, Hamburg and Frankfurt am Main, respectively.

Our employees benefit from the regulations applicable in Germany with regard to working conditions, occupational health and safety and social security.

Some of the raw materials required for our products are purchased outside Germany. Suppliers of our source materials are audited in accordance with GMP standards for pharmaceuticals. To date these audits have not identified any violations at our suppliers. We will continue to work on optimising these processes in order to eliminate to the best of our ability any illegal employment relationships and business practices of our suppliers and business partners – particularly with regard to incidents of child labour and the other above mentioned illegal activities.

At the present time, we have not had any indication that our business partners are affected by any such illegal activities or are involved in related matters.

3. Our Compliance Management

Trust and integrity are among the most important values in our corporate culture and are prerequisites for Dermapharm's entrepreneurial success.

Since its IPO in 2018, the Dermapharm Holding SE has an integrated governance, risk and compliance (GRC) management system in place. Specifically, this system comprises the corporate governance elements of internal control system, risk management and compliance management. The aim of the compliance regulations is to ensure that the company, its managers and employees act responsibly and ethically. Potential violations are to be identified in advance and systematically prevented.

The Chief Compliance Officer at Group level, who is responsible for managing and monitoring the necessary activities, is supported by central GRC officers and local compliance officers at the subsidiaries.

The corporate principles and the rules of conduct derived from them are stipulated in our Compliance Manual, which is binding for all employees throughout the Group. Among other things, all employees of the Dermapharm Group are required to treat each other fairly and with respect. We do not tolerate discrimination or harassment based on age, origin, gender, physical appearance, ideology, religion, sexual orientation or other individual characteristics. Furthermore, the Compliance Manual defines binding rules regarding corruption, money laundering and terrorist financing, unfair competition, insider trading and market manipulation, data protection as well as conflicts of interest.

In order to ensure that the rules of conduct are comprehensible to all employees of the Dermapharm Group, we have translated the Compliance Manual into all required languages (DE/ ENG/ IT/ ES/ PL/ UKR/ HR). For those employees who do not have computer access, the Compliance Manual was printed in a resource-saving A5 format.

In addition to the written Code of Conduct, regular training measures for our employees are developed and continuously improved, thus making a significant contribution to raising their awareness. We also take into account the specific training needs of our compliance officers, managers and employees in high-risk business areas (e.g. sales force, purchasing department). On our internal training platform 'Dermapharm eCampus', selected groups of employees from high-risk areas are trained via comprehensive compliance eLearning with subsequent success monitoring.

The Dermapharm Group has also established a whistleblower system that enables suspicious transaction reports to be filed in connection with the activities of the organisation and its business partners. Any information about violations of our Code of Conduct may be communicated to the respective superiors, to the compliance officers of the individual companies or directly to the Chief Compliance Officer personally or anonymously, electronically, in writing or by telephone.

Any reported violations will be investigated according to professional standards and, depending on the individual case, may lead to disciplinary action under employment or contract law or to criminal prosecution by investigative authorities as well as judicial authorities.

A quarterly compliance reporting has been established in order to inform the Executive Board on a regular basis of any compliance incidents and inquiries from within the Group and of any required measures.

We also expect our business partners to uphold our values and practices.

Focussing on a risk-oriented approach, we have developed a compliance questionnaire for suppliers from third countries (countries that do not belong to the European Economic Area (EEA)). This includes specific questions on the following topics, among others:

- Corruption / bribery and anti-competitive practices
- Fair business practices, including truthful advertising
- Establishment of a whistleblower system and handling of reports
- Animal testing / handling of animals
- Handling of personal data (data protection)
- Forced and child labour
- Working environment and conditions (no discrimination / mobbing, fair pay)
- Environmental, health and occupational safety
- Adequate management systems (including allocation of sufficient resources, identification and management of relevant risks, complete documentation and training of employees)
- Economic beneficiaries and politically exposed persons

Based on the results, we will assess the specific supplier risk and initiate further investigation and document requests as necessary.

We are in the process of developing further measures to monitor compliance with internal and external rules beyond the established employee assessment processes. Among other things, we plan to conduct internal audits to assist in reviewing the adequacy and effectiveness of particularly high-risk processes and to optimise these where necessary. We also refer to our "Corporate Social Responsibility Report" (CSR Report), which we publish as a compliant listed stock corporation with more than 2,200 employees Group-wide and which also addresses human rights issues.

Grünwald, December 2020

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