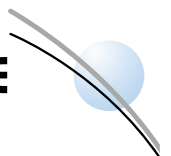


Dermapharm Holding SE (Group) –

UK Modern Slavery Act Statement 2019

Dermapharm Holding SE



CONTENTS

- 1. Compliance with our obligations under the UK Modern Slavery Act 03
- 2. Our business and organisation 04
- 3. Our Compliance Management: “With each other – for each other – inside and out” 05

Statement in compliance with the requirements of the UK Modern Slavery Act 2015 prepared by **Dermapharm Holding SE (Group)** and its affiliated subsidiaries for the 2019 financial year.

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

This statement sets out the principles and policies our organisation has put in place to prevent all forms of “slavery” and “human trafficking” (synonyms used for offences such as child labour, forced prostitution, forced labour and all forms of exploitation, as well as physical and psychological abuse of workers) and explains the steps that the Dermapharm Group is taking 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 Modern Slavery Act Statement.

The Dermapharm Group respects 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, publish the UK Modern Slavery Act Statement and voice our commitment 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 businesses and activities or within our supply chain(s).

2. Our business and organisation

The Dermapharm Group's core business involves developing, producing and distributing our products, which include off-patent branded pharmaceuticals, herbal extracts and other healthcare products. It also operates a parallel imports business with EU pharmaceuticals.

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, 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 Logistik & Service GmbH & Co. KG, are major employers in the Leipzig-Halle-Bitterfeld region and since their inception in 2003 have been responsible for creating around 500 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 and the Axicorp Group, located near the cities of Aachen, Freiburg and Frankfurt am Main, respectively.

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 other 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.

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

3. Our Compliance Management: “With each other – for each other – inside and out”

In 2018, the Dermapharm Group began setting up a Group-wide governance, risk and compliance management system based on a comprehensive risk and legal framework analysis. In addition to the Chief Compliance Officer, central governance risk and compliance officers and local compliance officers in the Group companies are responsible for ensuring that legal and ethical rules of conduct are uniformly defined, introduced and complied with. The relevant internal processes and controls are managed via a centralised platform specifically implemented for this purpose.

The corporate principles and rules of conduct derived therefrom are laid down in our Compliance Manual, the second edition of which was implemented in December 2019 and is binding on all employees throughout the Group. Among other things, the Compliance Manual stipulates that all employees of the Dermapharm Group at all locations worldwide must be afforded fair, reasonable and humane working conditions.

In addition to this written policy, regular training for our employees is currently being developed and continuously improved, thereby making a considerable contribution to raising their awareness. We also take into account the specific training needs of our compliance officers, managers and employees in high-risk areas of the company (e.g. purchasing). In the course of the coming year, all employees of the German Group companies will receive additional training via a comprehensive online training system. Based on the experience gained from this, the training program will be consistently optimised and then improved throughout the Group and firmly integrated into everyday working life.

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

Based on our Compliance Manual for employees, we plan to develop a code of conduct for suppliers establishing the specific principles for this group of business partners. Our objective with this code of conduct is to have our suppliers agree to observe our principles, to the extent this does not conflict with local legislation, and pass this commitment further down their supply chain. We have also begun to examine our supply chain more specifically to see whether and to what extent we can take additional, country-specific measures. We are also examining the possibility of implementing contractual measures to bind and monitor our counterparties even more closely in compliance matters.

The Dermapharm Group has 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 and as well as judicial authorities.

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, and will report on this at the appropriate juncture. We also refer to our "Corporate Social Responsibility Report" (CSR Report), which we publish as a compliant listed stock corporation with more than 1,700 employees Group-wide and which also addresses human rights issues.

Grünwald, December 2019

Dr. Hans-Georg Feldmeier
Chief Executive Officer

Stefan Hümer
Chief Financial Officer

Karin Samusch
Chief Business Development Officer

Dr. Jürgen Ott
Chief Marketing Officer

Hilde Neumeyer
Chief Compliance Officer