



## Sustainability Report 2016



Communication on Progress  
to the United Nations  
Global Compact

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## Preface

### **Optima's way to corporate sustainability**

This is Optima's second Sustainability Report, and it marks a further decisive step towards a sustainability management that is truly rooted within the company. For Optima, our responsibility as a company always extended beyond our factory gates – the ecological, economic and social dimensions of sustainability have been guidelines of our entrepreneurial activity from the very beginning: Since 1984, Optima Pharmazeutische GmbH provides high-quality pharmaceutical products.

This report also represents our annual Communication on Progress report to the UN Global Compact, and will be published on the UN Global Compact Website. With the signing of the UN Global Compact in 2014, we have officially committed ourselves to core values in the areas of human rights, labor, environment and anti-corruption compliance, and promised to spread and support them in our business and social environment.

We invite all business partners and other interested parties to provide feedback and get in contact with us in case of any questions or suggestions.

Moosburg/Wang, Mai 2016

Michael Kroll

Stefan Kroll

### **Statement by the CEO of continued support for the UN Global Compact**

I am pleased to confirm that Optima Pharmazeutische GmbH reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this Sustainability Report, which represents our annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Mr. Michael Kroll

CEO Optima Pharmazeutische GmbH

### **Further information:**

Optima: Corporate Sustainability website  
<http://nachhaltigkeit.optimapharma.de/index.php/en/sustainability/sustainability.html>

United Nations Global Compact  
[www.unglobalcompact.org](http://www.unglobalcompact.org)

## **1 Human Rights**

- **Principle 1:** We support and respect the protection of internationally proclaimed human rights
- **Principle 2:** We make sure that we are not complicit in human rights abuses

### **Human Rights in our own operations**

Optima declares its full support for the United Nations Universal Declaration of Human Rights.

Optima's operations are based in Germany and Switzerland. According to the Maplecroft Human Rights Risk Index 2014, these countries have a low prevalence of human rights-related risks (see "Further information"). Therefore, direct implications are considered minimal.

Our research and development activities are carried out exclusively in Germany, in cooperation with renowned research institutions. All quality standards and sector commitments are fully adhered to. Our main research partner is also a signee to the UN Global Compact.

### **Human rights in our supply chain**

In its supply chain, Optima collaborates with a number of tier 1 suppliers and contract manufacturers, of which the vast majority is located in Germany. Therefore, the exposure to human rights-related risks in case of tier 1 suppliers is also considered minimal.

Our detailed sustainability standards for our suppliers require them to adhere to the UN Global Compact Principles (see "Further information").

Also, tier 1 suppliers are requested to report any human rights-related incidents in their own operations or supply chains to Optima. As a measurement of outcome, we monitor the number of complaints, incidents or other issues related to human right abuses, both in our own operations and our supply chain. In the last year, as in the year before, **no** such incidents were brought to the knowledge of Optima.

✓ 0 human rights-related incidents

In 2015, we have entered a dialogue with our main tier 1 suppliers to screen their supply chains and promote Optima's standards for sustainable procurement. In this dialogue, we also have raised awareness regarding the possibilities and requirements of an external ethical trade program membership.

✓ Active dialogue initiated with over 50% of our main suppliers

### Human rights in the downstream value chain

Concerning downstream value chain partners (e.g. in logistics and distribution), Optima has limited insight into human rights conditions. However, approx. 85% of Optima's sales volume is directed to EU countries and 15% to Australia and New Zealand, therefore a broad compliance of value chain partners with the existing legal requirements can be assumed.

Regarding our downstream value chain partners, we encourage partners to participate in voluntary sustainability and human rights codices, like the UN Global Compact or the German Sustainability Codex. In 2015, about

**two thirds** of our key customers were signatories to the UN Global compact or similar voluntary codices (e.g. German Sustainability Codex), and/or have an own policy for the protection of human rights. Although this share was not increased in 2015, it is planned to keep engaging with value chain partners on this topic.

✓ 2/3 of key customers are publicly committed to fighting human rights abuses

### Further information

Optima: Standards for Sustainable Procurement (German)

[http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/standards\\_for\\_sustainable\\_procurement.pdf](http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/standards_for_sustainable_procurement.pdf)

Maplecroft: Human Rights Risk Index 2014.

<https://maplecroft.com/portfolio/new-analysis/2013/12/04/70-increase-countries-identified-extreme-risk-human-rights-2008-bhuman-rights-risk-atlas-2014b/>

## 2 Labour

- **Principle 3:** We uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation

### Working conditions

We strive to ensure optimal working conditions for all employees, meeting and where possible exceeding all legal requirements. Optima enables and encourages part-time employment of employees of both genders.

### **Equal opportunities and employee rights**



Optima guarantees its employees the freedom of association and the right to collective bargaining as regulated by national and European laws and standards.

Optima is an equal opportunities employer. We strive actively against discrimination of employees. We fully comply with national and European employee protection and anti-discrimination legislation.

We provide ongoing training and qualification initiatives to our employees, and focus on a long-term, cooperative HR development strategy.

We monitor the number of incidents regarding employee rights or discrimination (e.g. formal complaints, legal conflicts etc.), of which there were **none** in the last year. For 2015, we aim to keep this number at zero.

✓ 0 labour rights-related incidents

### **No child or forced labour**

Our employment policy is in accordance to legal requirements and we have no employees under the age of 18. The same applies to any kind of forced or compulsory labour.

### **Labour standards in our supply chain**

The vast majority of our tier 1 suppliers are located in Germany and other neighboring countries that have:

- a low level of child labour risk according to the Child Labour Index 2014
- a low level of working conditions risk according to the Working Conditions Index 2014 (see "Further information")

Our supplier standards for sustainable procurement explicitly include the compliance with all legal requirements and the labour-related Principles of the UN Global Compact.

In 2015, we have entered a dialogue with our main tier 1 suppliers to screen their supply chains and promote Optima's standards for sustainable procurement. In this dialogue, we also have raised awareness regarding the possibilities and requirements of an external ethical trade program membership.

### **Further information**

Optima: Standards for Sustainable Procurement [http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/standards\\_for\\_sustainable\\_procurement.pdf](http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/standards_for_sustainable_procurement.pdf)

Maplecroft: Child Labour Index 2014. <http://maplecroft.com/portfolio/new-analysis/2013/10/15/child-labour-risks-increase-china-and-russia-most-progress-shown-south-america-maplecroft-index/>

Maplecroft: Working Conditions Index 2014.  
<https://maplecroft.com/portfolio/new-analysis/2014/01/29/world-cup-host-qatar-among-11-countries-downgraded-Isquoextreme-risksquo-working-conditions-maplecroft-index/>

### 3 Environment

**Principle 7:** We support a precautionary approach to environmental challenges;  
**Principle 8:** undertake initiatives to promote greater environmental responsibility; and  
**Principle 9:** encourage the development and diffusion of environmentally friendly technologies

Environmental sustainability is a key concern of the management and the employees alike. Although Optima's products do not require large amounts of energy or natural resources in production or use, we accomplish the responsibility for minimizing negative impacts. While Optima is not directly exposed to significant environmental risks, energy and resource availability play an important role.

#### Energy use

Energy production and use is a main source of greenhouse gas emissions. The use of renewable energies is a way to reduce energy-related emissions. For heat supply in our own office facilities, we use renewable energies in the form of pellet / woodchip heating.

Efficient energy and resource use is a topic that needs to be integrated broadly into business process. Optima has therefore extended its internal Quality Management Guidelines to cover these topics in relevant processes, for example in the training of new and existing staff members.

Contract manufacturers are also instructed to optimize energy efficiency. Optima requests yearly energy consumption figures from all contract manufacturers, related to the work carried out for Optima.

✓ 100% of contract manufacturers report on energy consumption

#### Transportation & Mobility

Regarding energy use for transportation and packaging, Optima is working continuously on optimizing production structure and processes. One example is the restructuring of production for one of our main products. Since 2015, production and final packaging are done at the same location. In the course of 2016, also storage and distribution will be realized at the same location, thus reducing the number of transports even further.

Regarding sustainable employee mobility, Optima has invested in a battery-electric vehicle and a charging station at the company headquarter. The charging station provides power from renewable sources, and therefore allows emission-free business travels. By providing a positive experience to employees, they should be encouraged to consider shifting towards electric mobility.

✓ Introduction of electric vehicle & charging infrastructure

## Greenhouse gas emissions balance



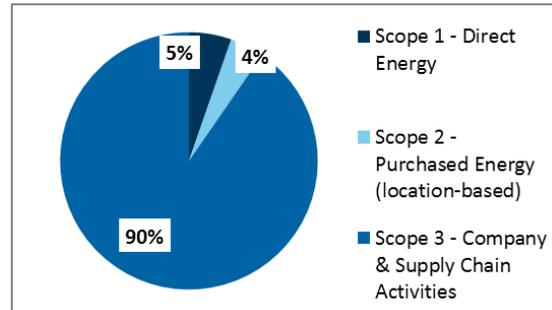
Starting with the year 2012, we are assessing our annual Corporate Carbon Footprint, meaning the greenhouse gas emissions balance of all company operations, including up- and downstream processes of the value chain. The advantage of the Carbon Footprint is that it includes emissions from energy and fuels, material-related emissions of the upstream and downstream value chains as well as other indirect emission sources like business travel and commuting of employees. Thus, it gives valuable insights into the ecologic hotspots of a company's environmental balance and provides a single indicator that is easy to monitor.

The calculation itself is carried out by our environmental consulting partner DFGE – Institute for Energy, Ecology, Economy, in accordance with the GHG Protocol standard.

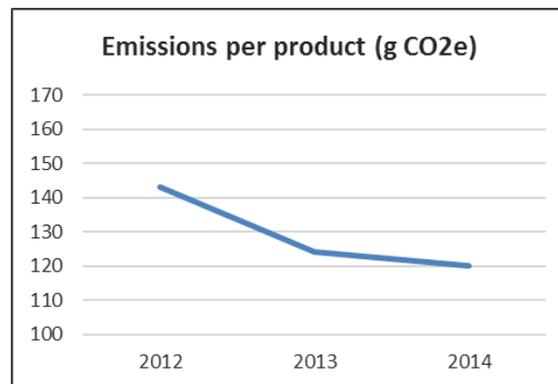


The total emissions for Optima amount to **381 t CO<sub>2</sub>e** for calendar year 2014. Of these, 5% are caused by consumption of fuels for vehicles and heating (Scope 1). Emissions from purchased energy (Scope 2) only amount to 4%. The majority of emissions, with 90%, are

other indirect emissions that occur along the value chains.



Besides the absolute emission amounts, we calculate our "emission intensity", i.e. the relative emissions per piece of production output. This provides a clearer view of improvements in efficiency, even if the absolute carbon footprint is increasing due to growth in business activity. From 2013 to 2014, relative emissions could be further reduced by 4%, continuing the trend towards emissions reduction in the year before.



On the basis of the Carbon Footprint and the insights gained in the carbon footprint calculation, Optima has already targeted several areas for emission reduction. The goal for 2016 is to continue the trend in reducing our emission intensity.

✓ Relative emissions reduced by 4%

## Optima - a climate-neutral company

Energy and resource consumption and related emissions can be reduced by efficiency measures – but only to a certain point. However, Optima also takes responsibility for all non-avoidable emissions. Therefore, we compensate all our Scope 1, 2 and 3 emissions as calculated in the Carbon Footprint, by financing certified emission reduction projects.



### Supported Reforestation/Community support project in Zimbabwe ©South Pole Carbon - southpolecarbon.com

In 2014, Optima has supported a reforestation and community support project in Zimbabwe through the purchase of Verified Carbon Standard emission reduction certificates. This project not only contributes to reducing Greenhouse gas emissions, but also provides sustainable livelihood options for local communities, by funding healthcare centers, community gardens, school fee subsidies etc. The Carbon Footprint as well as the compensation have been certified by TÜV Hessen, and Optima has been awarded as “climate neutral company” according to the TÜV ProfiCert Standard Climate Neutrality.



Optima has committed itself to continue the compensation of 100% of non-avoidable emissions over the coming years. In 2016, this ongoing compensation has been re-audited successfully by TÜV Hessen.

✓ 100% of Scope 1+2+3 emissions compensated

## Natural resources / raw materials

An important focus area regarding environmental impacts is the provenience of natural raw materials used. Depending on the method and region of production, these may have larger or smaller environmental impacts. In the case of Optima's products, paper is the most relevant material by quantity, as it is used in the individual product package, as well as for shipping boxes, leaflets etc.

Optima's goal is to use as much recycled paper as possible. For the remaining amount of non-recycled paper, we are increasingly using FSC (or alternatively PEFC) certified paper, wherever available. In 2015, we have managed to use 100% FSC-certified paper in our office operations. For product packaging, it is targeted to switch completely to recycled or FSC certified materials in 2016.

✓ Increasing share of recycled paper, 100% certified paper for office use

Equally, Optima's tier 1 suppliers and contract manufacturers are requested to use recycled paper wherever possible, and FSC (or PEFC) certified paper in all other cases. If no certified products are available, materials from known and legal sources must be used, which do not cause avoidable negative ecological and social impacts like deforestation, land use conflicts etc.

Regarding product ingredients, two important naturally sourced materials are ethanol and soy lecithin, which may be related to increased ecological impacts. However, the absolute amount of material used is limited. Optima's tier 1 suppliers are requested to comply with all applicable environmental, health, labour and social standards when sourcing natural materials, and ensure that they do not cause avoidable negative ecological and social impacts like deforestation, land use conflicts etc.

### Waste and recycling



Regarding our products, the central focus lies on supreme quality and safety, but we also care about their end-of-life phase: Our products are not harmful to the environment and can be safely disposed of by regular means. Paper boxes, leaflets, empty glass

containers and plastic caps can and should be recycled.

Through their innovative formulation and application method, our liposomal eye sprays have a much longer usage time compared to alternative products. This means that the amount of waste is reduced drastically compared to other products, especially those with one-dose packaging.

### Further information:

DFGE/Optima: Carbon Footprint Balance Year 2014 - Management Summary

<http://nachhaltigkeit.optimapharma.de/index.php/en/sustainability/climate-protection.html>

TÜV Hessen: Certificate- Climate Neutrality

[http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/optima\\_tuevhessen\\_klima\\_neutralitaet.pdf](http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/optima_tuevhessen_klima_neutralitaet.pdf)

Southpole Carbon: Reforestation Project Description

[http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/project\\_forestprotection.pdf](http://nachhaltigkeit.optimapharma.de/images/microsites/nachhaltigkeit/pdf/project_forestprotection.pdf)

## 4 Anti-Corruption & Fair Business Practice

**Principle 10:** We work against corruption in all its forms, including extortion and bribery.

### Clear stance against corruption

Optima condemns all forms of corruption. We believe in fair and open competition and are convinced that quality, innovation and efficiency are the key to long term business success.

The commitment to prevent all forms of corruption has been integrated in our internal Quality Management Handbook.

### Anti-corruption action in our value chain

Optima has issued clear standards for its suppliers that include the compliance with all legal requirements and requests them to adhere to the UN Global Compact Principles on fighting corruption.



The 2014 Corruption Risk Index by Maplecroft shows that the countries in which Optima operates and where the majority of suppliers are located have a “low” risk of corruption, with the exception of Austria with “medium” risk (see “Further Information”).

Optima monitors the amount of incidents related to corruption of any form, both within the company and the supply chain. In the last year, there were **none** such incidents brought to the knowledge of Optima. We aim to keep up this performance in the coming year.

✓ 0 corruption-related incidents

Furthermore, we monitor the share of key customers that have published an own code of conduct or policy regarding corruption and/or

are signatures to the UN Global Compact or similar codices. In the last year, about **two thirds** of our key customers have made such a public commitment.

✓ 2/3 of key customers are publicly committed to fight corruption

### Further information:

Maplecroft: Corruption Risk Index 2014.

<http://maplecroft.com/portfolio/new-analysis/2013/09/24/corruption-risk-index-reveals-long-term-lack-will-tackle-corruption-brics/>

## 5 Community Engagement

Optima compensates all its Greenhouse Gas emissions by funding certified projects around the world. However, as a locally rooted company, Optima would like to contribute to an intact and valuable environment in our Bavarian home region. Therefore, Optima



**Plantation of white fir trees by Bergwaldprojekt e.V. © Bergwaldprojekt e.V., [www.bergwaldprojekt.de](http://www.bergwaldprojekt.de)**

decided to support the regional initiative "Bergwald-Projekt e.V.", which is working to re-naturalize and stabilize endangered forest areas in the Bavarian mountain regions, which were affected by climate change-related developments like storms, temperature changes and vermin damages.

Since 2015, Optima has enabled the plantation of a total of 5000 trees in several steps, thus contributing to the stabilization of 3.5 hectares of valuable mountain forests.

Beginning in 2014, Optima is also supporting the Plant for the Planet Foundation. It is a non-profit organization based in Bavaria that has the mission to combat climate change by promoting reforestation and the planting of

new forests in Germany and all over the world. With Optima's contribution, trees were planted that each year sequester CO<sub>2</sub> in the order of magnitude of Optima's total Carbon Footprint.

In 2015, the contribution by Optima was extended in order to compensate for our Greenhouse Gas emissions.

### **Further information:**

Bergwaldprojekt & Plant for the Planet: Information and Certificates

<http://nachhaltigkeit.optimapharma.de/index.php/nachhaltigkeit/klimaschutz/weitergehendes-engagement-fuer-den-klimaschutz>

Plant for the Planet: Supporter List.

<http://www.plant-for-the-planet.org/de/unterstuetzen/partnerschaft>

## 6 Outlook

In the two years since signing the UN Global Compact, Optima has made considerable progress in implementing the Ten Principles in many fields. Still, there are many issues and topics on our agenda, which we will try to implement over the coming year.

The dialogue with our key suppliers on sustainability and ethical trade standards will be formalized further, potentially leading to participation in an external compliance and audit program.

Regarding our own operations, Optima's ongoing commercial success requires us to extend our facilities. In this process, ecological optimization has a high priority – for example, we plan on leasing additional office space in already existing buildings, instead of planning resource-intensive new constructions.

The process of concentrating process steps at single locations will be continued, in order to reduce transport emissions and increase the use of existing facilities.

We invite all partners, customers, suppliers and other stakeholders to communicate openly with Optima regarding all sustainability topics.

All new information and reports will be published in the sustainability section of our homepage:

<http://nachhaltigkeit.optimapharma.de/index.php/en/sustainability/sustainability.html>



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