

Statutory Report on Corporate Social Responsibility (CSR) for 2014, cf. art. 99a of the Danish Financial Statements Act

Genmab A/S
CVR no. 2102 3884

Innovating antibodies,
improving lives

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Statutory report on CSR for the financial year 2014 cf. Section 99a of the Danish Financial Statements Act (“Lovpligtig redegørelse for samfundsansvar, jf. årsregnskabslovens § 99 a”). This report is part of the Directors’ Report in the Genmab A/S Annual Report covering the period 1 January – 31 December 2014.

Our Commitment to Corporate Social Responsibility

Being socially responsible is at the core of how we do business at Genmab and is reflected in Genmab’s core values. We believe in the idea that a company has a responsibility to conduct itself in a way that benefits not only the company’s main stakeholders, in our case patients, shareholders and employees, but also society as a whole.

At Genmab we strive to comply with all relevant laws, standards and guidelines. We seek to create new medicines to help patients, with a focus on cancer. We consider the well-being of our employees a top priority and we minimize our impact on the environment as much as we can. We have high ethical standards and aim to conduct business with companies and within countries which share our ethics. We do not conduct business in high risk countries where human rights are not upheld. Due to the fact that we have a limited number of employees and therefore carefully allocate our resources, we have chosen not to implement a specific human rights policy. However, Genmab supports and respects the protection of internationally proclaimed human rights through other policies which address responsible supply chain management, ethical procedures, health and safety procedures and issues regarding access to medicine. In addition, Genmab only conducts clinical trials in markets where a drug is planned to become available.

Our CSR Committee, comprised of representatives from our human resources, investor relations & communications, legal, finance and research & development functions, ensures that Genmab carries out these activities effectively and communicates clearly and openly about our CSR initiatives.

Our business-driven CSR strategy focuses on four main areas:

- » Employee well-being including health, safety and development
- » Ethics in relation to pre-clinical and clinical studies
- » Environment, including waste management and recycling
- » Business ethics and transparency

Genmab’s CSR report discloses the main highlights of our CSR initiatives but does not reflect all of our ongoing initiatives and procedures. As part of our commitment to CSR we monitor new developments and practices and consider new initiatives which could further enhance our CSR activities.

Our Core Purpose and Vision

Genmab’s commitment to CSR is inherently based in our company’s core purpose and vision. Our core purpose

“to improve the lives of patients by creating and developing innovative antibody products”

inspires and motivates us to find new ways to improve healthcare and quality of life for patients and their families. The antibodies we create are specifically designed to provide new treatment options to patients with life threatening and debilitating diseases.

Our efforts at addressing unmet medical needs have led to, among others, the creation and market launch of Arzerra® (ofatumumab) and the creation and clinical development of daratumumab. Both products were designated by the US Food and Drug Administration (FDA) as Breakthrough Therapies, a classification awarded to drugs which may demonstrate substantial improvement over available therapies for serious or life threatening conditions.

We have identified a new over-arching vision for the company:

“By 2025 our own product has transformed cancer treatment and we have a pipeline of knock-your-socks-off antibodies”

The vision was launched internally in 2013 and during 2014 we established cross-functional working groups to look at four main focus areas identified as important for reaching our vision. The essence of Genmab’s vision for the future was launched externally using a film first aired publically at the company’s Annual General Meeting (AGM) in April 2014. The film, involving doctors discussing their view of cancer treatments and Genmab’s CEO providing his view of the future of cancer treatment, is also available on the company’s website, www.genmab.com. Genmab’s vision of contributing to a changing landscape within cancer treatment, holding on to the value of products, and building a strong pipeline of products, has also been communicated during investor meetings and media interviews during 2014.

CSR Focus: Employee well-being including health, safety and development

POLICIES AND GUIDELINES

At Genmab, our vision, core purpose, and core values guide and inspire employees in their everyday work.

Core Values
Passion for innovation
Work as one team and respect each other
Determined – being the best at what we do
Integrity – we do the right thing

Genmab recognizes that an engaged and motivated workforce that has development opportunities will produce better quality work. To support employee motivation, Genmab has implemented a new Performance Planning & Review cycle and included our core values in the performance evaluation. Furthermore, Genmab invests in the development of employee knowledge, skills and competencies as these areas are essential for the company’s success. Various employee indicators have also been implemented to ensure our employees are satisfied with their working conditions.

Numerous policies have been established to ensure the well-being, health and safety of our employees. Employee well-being is addressed by corporate policies on, for example, smoking and alcohol consumption, different forms of leave, diversity and anti-discrimination as well as health insurance plans. In addition, regular workplace audits and employee surveys are conducted at Genmab A/S and Genmab B.V.

Health and safety is addressed by policies on safety in laboratories and handling of dangerous substances. Management ensures that employees are trained to correctly handle hazardous goods and chemicals, to manage workload and to deal with work-related stress.

Genmab's culture is characterized by an open and supportive professional work environment across our international locations. We believe that fostering workplace diversity across social, educational, cultural, national, age and gender lines is a prerequisite for the continued success of the company. We are committed to diversity at all levels of the company and strive to recruit employees with the right skills and competences, regardless of gender, age, ethnicity, etc. Genmab's Board of Directors also takes into consideration the opportunity to nominate candidates that may bring gender equality to the Board of Directors in the long term in order to comply with the targets specified under good corporate governance recommendations in Denmark. To this end, the Board of Directors has set a goal to increase the proportion of female board members elected by the General Meeting to at least 25% by 2016. Our gender and diversity policies, as well as the target figure, may be amended by the Board of Directors and should be interpreted in accordance with applicable equal rights and anti-discrimination legislation in Denmark, in force from time to time. The text in the Diversity section below fulfills the requirements of Section 99b of the Danish Financial Statements Act.

2014 ACTIONS AND RESULTS	FUTURE EXPECTATIONS AND ACTIVITIES
<p>ENGAGEMENT AND DEVELOPMENT</p> <ul style="list-style-type: none"> • Genmab implemented a new Performance Planning & Review cycle and has informed employees and trained managers on the updated process. • The essence of the company's vision for the future was launched externally at the 2014 Annual General Meeting and during publically webcast investor presentations. The 2014 Annual Report includes a more detailed description of our 2025 vision. • Working groups were established to recommend internal actions to help the company move towards achieving the 2025 vision. Based on these recommendations, Genmab's Core Leadership Team began working on prioritization of actions in line with the company's business strategy. 	<ul style="list-style-type: none"> • In 2015, we will conduct a compensation and benefits survey to ensure Genmab provides compensation in line with industry standards. • Identification of actions necessary to move the company towards achieving the 2025 vision is underway. These prioritized actions will be communicated internally during 2015. • During 2015, Genmab will continue its focus on succession planning and optimizing employee retention. • In 2015, a leadership development program for top management will be started and rolled out to other levels of leaders in the company.
<p>EMPLOYEE WELL BEING</p> <ul style="list-style-type: none"> • In 2014, an employee satisfaction survey was conducted at Genmab B.V. The results of this survey have been analyzed and improvement points have been identified. These will be transformed into an action plan. • We have continued to focus on employee well-being. Employees are eligible for health insurance plans which provide access to a 	<ul style="list-style-type: none"> • We will continue to take employee health and well-being seriously and offer assistance to employees as appropriate. A global employee survey will be conducted across all Genmab locations in 2015. The 2015 employee survey will include questions related to workload. Improvement initiatives will be proposed, prioritized and

2014 ACTIONS AND RESULTS

broad array of medical care. In 2014, we conducted a survey to evaluate employee stress levels.

HR BENCHMARKS

- In 2014, employee turnover was 2% compared to 5% in 2013. In addition, the seniority of our employees was 7 years in 2014, the same as in 2013. The turnover and seniority reflect both the current job market and Genmab's aim to attract and retain employees.
- Employee absence due to illness in both 2013 and 2014 was 3%. The employee absence level is in line with the general healthcare industry rates.

DIVERSITY

- Genmab remains committed to providing equal opportunities for women and men at all management levels with the aim that both genders will represent at least 40% at management levels.
- The Board of Directors continues to work towards the goal of increasing the proportion of female directors to at least 25% by 2016 which, based on the current number of board members, means at least one female board member by 2016.
- At present, women are not represented in our Executive Management. However, women are well represented in the Senior Vice President group, at and above the director level, and below director level. We meet our goal of having at least 40% of both genders at management levels. The current male/female ratios are outlined below.

FUTURE EXPECTATIONS AND ACTIVITIES

translated into action plans based on survey results.

- Mandatory workplace audits will be conducted every third year in The Netherlands and Denmark, according to local regulations. The next workplace audit will take place in 2016.
- Genmab plans to hold an event gathering all employees to further strengthen teamwork and increase employee engagement and motivation in 2015. The 2025 vision will be in focus during this event.
- Genmab will continue to focus on employee satisfaction in an effort to minimize employee turnover and absences so we are in line with, or lower than, biotech industry averages.

- While still insisting that all positions must be filled by the best candidate, our ambition is that all management levels shall hold a diverse composition with highly skilled and very experienced employees at all levels of the organization.
- The Board of Directors evaluates the diversity of Genmab's management levels at least once a year to ensure diversity. The Board will continue to work towards its goal of increasing the proportion of female board directors to at least 25% by 2016. To ensure we meet this target the Board of Directors will make efforts to ensure a balanced slate of male and female candidates is considered when board vacancies become available.

Male/Female Ratios	2014		2013	
	Male	Female	Male	Female
Genmab Group	46%	54%	47%	53%
Director level and above	56%	44%	52%	48%
Below director level	43%	57%	45%	55%

Other Key Employee Ratios		2014	2013
FTE at the end of the year	No.	173	157
Research and development employees	%	88%	87%
Administrative employees	%	12%	13%
Average age of workforce	No.	41 years	41 years
Number of nationalities	No.	14	10
Employees holding an advanced degree (Ph.D., Doctoral or Master)	%	48%	45%
More than 5 years' experience in pharma/biotech industry	%	91%	92%
Seniority	No.	7 years	7 years
Employee turnover ¹	%	2%	5%
Employee absence ²	%	3%	3%

CSR Focus: Ethics in relation to pre-clinical and clinical studies

POLICIES AND GUIDELINES

The biotechnology and pharmaceutical industries are governed by extensive and strict regulations which are intended to provide quality assurance of pre-clinical and clinical studies and the processing of data resulting from such studies. Genmab is subject to, and complies with, these international regulations, guidelines, and standards for drug development, such as Good Laboratory Practice (GLP), Good Clinical Practice (GCP), and current Good Manufacturing Practice (cGMP). Genmab also complies with all relevant legislation and regulations, including guidelines issued by international regulatory authorities such as the European Medicines Agency (EMA) and the FDA. Please refer to the "Risk Management" section of the Annual Report for 2014 for more information.

Genmab is committed to being in compliance with all relevant regulations, laws, standards and guidelines. Therefore, Genmab's operations are audited by relevant local authorities and Genmab conducts internal and external audits according to an approved audit schedule and approved standard operating procedures.

We amend our policies and guidelines to stay up to date with current regulations and business trends.

¹ Employee turnover percentage is calculated by the FTE leaving since the beginning of the year divided by the average FTE.

² The rate of absence is measured as absence due to the employee's own illness, pregnancy-related sick leave, and occupational injuries and illnesses compared with a regional standard average of working days in the year, adjusted for holidays.

For example, our quality manual and quality risk management procedures were updated in 2014. The quality manual describes the quality policy and the quality management system covering our business processes including management's responsibility.

2014 ACTIONS AND RESULTS	FUTURE EXPECTATIONS AND ACTIVITIES
<p>QUALITY ASSURANCE</p> <ul style="list-style-type: none"> Genmab has conducted internal and external audits according to an approved audit schedule and approved standard operating procedures. Vendors are audited using a risk based approach. <p>VENDOR SELECTION</p> <ul style="list-style-type: none"> Genmab has updated certain standard operating procedures to indicate that vendors related to Clinical/Contract Research Organizations (CROs) and Contract Manufacturing Organizations (CMOs) shall be asked to disclose their CSR policies or programs. These policies are taken into consideration in the vendor selection process when more than one possible vendor is available. 	<ul style="list-style-type: none"> Genmab will continue to conduct internal and external audits for quality assurance. In 2015, Genmab will educate our employees to ensure readiness to meet the requirements of the EU Clinical Trial Regulation regarding reporting and transparency for clinical trials. We will continue to consider the CSR policies of potential vendors in our vendor selection process where possible.

CSR Focus: Environment including waste management and recycling

POLICIES AND GUIDELINES

Genmab's environmental policy outlines our commitment to protecting the environment as well as the health and safety of our employees, collaboration and business partners and the public by conducting business in a safe and environmentally sustainable manner. We encourage employees to act in an environmentally friendly way, to produce as little waste as possible and to collect waste for recycling. The management of laboratory waste at Genmab B.V. is audited annually and the waste license is maintained in compliance with all rules and regulations. Employees working in the laboratories at Genmab B.V. are instructed to replace highly toxic chemicals by less toxic versions where feasible.

Genmab contributes to energy-saving by using environmentally friendly climate control systems and equipping all locations with energy saving LCD screens. We select equipment with low energy use where possible to support office and laboratory operations. Genmab monitors the use of environmentally friendly power sources employed by local power supply companies. Green energy is used when the pro-green arguments can be balanced with the costs involved. Since 2012, Genmab A/S has purchased solely wind generated power for the Copenhagen site.

We encourage employees to use public transportation to commute to work by partially reimbursing

incurred expenses at our European locations. Our global travel policy provides guidelines for limiting unnecessary plane travel by employees and encourages the use of teleconferencing and videoconferencing as an alternative to business trips.

Finally, Genmab uses recycled paper and recycling procedures have been established for old electronics including laboratory and IT equipment. In addition, Genmab has implemented two-sided printing as corporate standard and includes a “think-before-you-print” message in the standard e-mail signature.

2014 ACTIONS AND RESULTS	FUTURE EXPECTATIONS AND ACTIVITIES
<p>ENVIRONMENT</p>	
<ul style="list-style-type: none"> • Genmab continued to encourage employees to act in an environmentally friendly manner, to produce as little waste as possible and to collect waste for recycling where practical. • Genmab minimizes its environmental impact from laboratory operations by controlled waste treatment of chemicals. 	<ul style="list-style-type: none"> • As our environmental impact is considered to be limited, Genmab has decided not to include any indicators for the environmental area at this time. Genmab will continue to have focus on reducing our environmental impact where possible. • Genmab aims to further reduce the environmental impact of its laboratory facilities and offices when new facilities are considered.

CSR Focus: Business Ethics and Transparency

POLICIES AND GUIDELINES

Genmab’s reputation as a trusted partner is crucial to our shareholders and business partners and is essential to the company’s ability to conduct business. Genmab is committed to lawful and ethical behavior in all activities, including financial and accounting matters, and we require our employees to comply with all applicable laws and regulations. Genmab has implemented a whistleblower program, and the Danish Data Protection Agency and Dutch Data Protection Authority have been notified of the processing of personal data relating to the whistleblower program. Furthermore, Genmab has implemented a code of business ethics, which promotes the lawful and ethical behavior of all internal stakeholders when conducting business on behalf of Genmab.

Genmab has implemented and communicated global compliance guidelines for interactions with healthcare professionals (HCP) and promotion of pharmaceuticals. Furthermore, Genmab has guidelines for company communications regarding products in development.

2014 ACTIONS AND RESULTS	FUTURE EXPECTATIONS AND ACTIVITIES
<p>BUSINESS ETHICS</p>	
<ul style="list-style-type: none"> • No issues were reported under our code of business ethics or whistleblower program. The whistleblower program was transferred to a more secure and user-friendly web portal solution hosted by an external vendor. Minor revisions to the program were made in 	<ul style="list-style-type: none"> • Refresher training for the code of business ethics will be conducted in 2015. • Genmab will continue to monitor legislation and regulations regarding interactions with HCPs and will update the Company’s compliance guidelines as appropriate.

2014 ACTIONS AND RESULTS

- connection with this transfer.
- Genmab has continued to monitor regulations regarding interactions with HCPs and has updated compliance guidelines as necessary. The guidelines were updated in 2014 in connection with the new Danish reporting requirements; procedures were put in place to comply with these reporting requirements and mandatory training was conducted.
 - Refresher training regarding insider rules was carried out in 2014 and additional procedures to prevent insider trading were implemented.
 - Genmab continues to monitor regulations concerning website usage and privacy.

FUTURE EXPECTATIONS AND ACTIVITIES

- Additional mandatory training in the compliance guidelines will be conducted in 2015.
- Genmab will conduct refresher training on the insider rules in 2015.