

Corporate Social Responsibility (CSR) Statutory Report 2013

Genmab A/S
CVR nr. 21 02 38 84

Innovating antibodies,
improving lives



Statutory report on CSR for the financial year 2013 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 2013.

Genmab’s core purpose is

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

Our core purpose inspires and drives 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 ofatumumab and daratumumab have been designated by the US regulatory authority (FDA) as Breakthrough Therapies, a classification awarded to drugs which may demonstrate substantial improvement over available therapies for serious or life threatening conditions.

Genmab seeks to achieve our goal of improving patients’ lives while conducting business in a responsible and ethical way, ensuring a safe and inspiring workplace for employees and minimizing environmental impact.

Genmab does not conduct business in high risk countries where human rights are not upheld. We have not implemented 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 conducts clinical trials only in markets where a drug is planned to become available.

Genmab is a socially responsible company which complies with all relevant laws, standards and guidelines by maintaining a strong corporate governance structure. We expect our CSR activities to reduce environmental, social and ethical risks for the company. We communicate clearly and openly about our CSR activities in order to inform all our stakeholders of our efforts.

To improve transparency and to ensure our CSR initiatives are carried out effectively, Genmab has established a CSR Steering Committee comprised of representatives from our human resources, investor relations & communications, legal, finance and research & development functions.

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 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

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

POLICIES AND GUIDELINES

At Genmab, our core purpose, together with our core values, guides and inspires 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

Skill, knowledge, experience and employee motivation are essential to Genmab as a biotech company. The ability to organize our highly skilled and very experienced employees at all levels of the organization into interactive teams is a key factor in achieving our strategy and to ensure Genmab's success. Genmab's team is very experienced in the pharmaceutical and biotechnology industry, particularly among the more senior personnel.

Genmab also recognizes that an engaged and motivated workforce that has development opportunities will produce better quality work. To increase employee motivation, Genmab has implemented Performance Planning & Review and Competency Review cycles and integrated our core values with performance reviews as an integral part of the performance evaluation. Furthermore, Genmab invests in the development of employee knowledge, skills and competencies. Finally various employee indicators have also been implemented.

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

Health and safety is addressed by policies on safety in laboratories and handling of dangerous substances (Genmab B.V.). Management ensures that employees are trained to correctly handle hazardous goods and chemicals (Genmab B.V.) and to manage workload and to deal with work related stress (Genmab A/S).

Genmab's culture is characterized by an open and supportive professional work environment across our international locations. Genmab believes that fostering workplace diversity is a prerequisite for the continued success of the company. Diversity is interpreted broadly and beyond gender to ensure equal opportunities, non-discrimination and an inclusive working culture. We aim for diversity across social, educational and cultural background as well as nationality, age and gender. While insisting that all our positions must be filled by the best candidate, our ambition is that all management levels shall hold a diverse composition.

Genmab is committed to continue working towards and maintaining equal opportunities for women and men at all management levels in the Genmab group. Genmab encourages talented male and female

employees to pursue a career in the company. Genmab regularly conducts employee surveys and employee development interviews to identify barriers – or the perception of barriers – preventing equal opportunities for men and women. In connection with recruitment, including recruitment at management level, it is Genmab group policy to strive to recruit employees with the right skills and competences, regardless of gender, age, ethnicity, etc. When choosing between equally qualified candidates, the diversity among the employees shall be taken into consideration, as it is the aim that both genders attain a representation at management levels of at least 40%. In connection with recruitment for managerial positions it must be ensured, where possible, that the candidates invited for interview include both men and women. The company's focus on diversity among its employees, including at management levels, must be visible during recruitment. The policy 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.

At the General Meeting of Genmab A/S, the Board of Directors proposes election of the most suitable candidates based on, amongst other criteria, the skill set requirements for board of directors of biotech companies. In connection with the proposals for election, the Board of Directors takes into consideration the opportunity to propose election of candidates that may bring gender equality to the Board of Directors on the long term. According to its "Target Figure for Women in the Board of Directors of Genmab A/S" it is the aim of the Board of Directors that the proportion of female board members elected by the General Meeting is increased to at least 25% by 2016. 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.

2013 ACTIONS AND RESULTS	FUTURE EXPECTATIONS AND ACTIVITIES
<p>PERFORMANCE REVIEW</p> <ul style="list-style-type: none"> • Genmab continued to monitor and improve its Performance Planning & Review process. • A company vision for 2025 was launched internally in 2013. <p>EMPLOYEE WELL BEING</p> <ul style="list-style-type: none"> • A mandatory workplace assessment survey conducted every 3rd year in Denmark serves as the basis for employee satisfaction surveys for Genmab A/S. Genmab A/S conducted a survey in 2013 and initiated an action plan to handle findings and implement improvements. In addition, Genmab A/S received a green smiley, the second highest rating possible following an audit of the Danish Working Environment Authority, indicating that Genmab A/S has no issues with the Working Environment Authority. 	<ul style="list-style-type: none"> • A new performance cycle will be implemented in 2014. • Initiatives to consider which internal actions are needed to move the company towards achieving the new vision, are underway. The essence of the company's vision was included in certain publically webcast investor presentations during 2013 and it is expected that further initiatives to communicate the vision externally will occur during 2014. • Survey to be conducted in Genmab B.V. in 2015. Improvement initiatives will be proposed, prioritized and translated into action plans based on survey results. • To maintain the low employee turnover and to be able to attract talented and highly skilled employees, we will continue to focus on employee well-being and having a good and healthy workplace. All employees are eligible for a health insurance plan, which ensures fast and professional help,

2013 ACTIONS AND RESULTS	FUTURE EXPECTATIONS AND ACTIVITIES
<ul style="list-style-type: none"> Genmab held an event gathering together all Genmab employees to further strengthen teamwork across different functional and cultural backgrounds and skills. The feedback from the event was very positive. 	<p>counseling and treatment at private hospitals and from psychologists etc., should the need arise. We will continue to work actively to counteract stress and focus on stress indicators in daily work life and offer help in handling stress as needed.</p>
<p>HR BENCHMARKS</p> <ul style="list-style-type: none"> Employee turnover for 2013 was approximately 5%, compared to 6% in 2012. In addition the seniority of our employees is 7 years in 2013 which was unchanged compared to 2012. The turnover and seniority reflect both the current job market and Genmab's aim to attract and retain employees. In 2013 Genmab began tracking absence indicators. Employee absence was approximately 3% in 2013 compared to 2% in 2012. 	<ul style="list-style-type: none"> Employee turnover and absences will be benchmarked against generally accepted industry standards and actions will be taken as needed.
<p>DIVERSITY</p> <ul style="list-style-type: none"> As mentioned above diversity is interpreted broadly to ensure equal opportunities. Please refer to the key employee ratios overview below for further details about the diversity within the Genmab Group. Genmab has implemented a Gender Policy as part of its commitment to provide equal opportunities for women and men at all management levels. The aim is that both genders will represent at least 40% at management levels. The Board of Directors has set a 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, none of the members of the Board of Directors or the Executive Management are women. However, women are well represented in the Senior Vice President group and at the Director level and above, with 40% and 48% of the groups respectively composed of women. This meets our goal for diversity of having at least 40% of both genders at management levels. The current male/female ratios are outlined below. 	<ul style="list-style-type: none"> 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 female board directors to at least 25% by 2016. To ensure meeting 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. In 2014, Genmab will continue its efforts and commitment towards equal opportunities for women and men at all management levels.

Male/Female Ratios	2013		2012	
	Male	Female	Male	Female
Genmab Group	47%	53%	53%	47%
Director level and above	52%	48%	56%	44%
Below director level	45%	55%	52%	48%

Other Key Employee Ratios	2013		2012
FTE at the end of the year	No.	157	179
Research and development employees	%	87%	89%
Administrative employees	%	13%	11%
Average age of workforce	No.	41 years	40 years
Number of nationalities	No.	10	8
Employees holding an advanced degree (Ph.D., Doctoral or Master)	%	45%	40%
More than 5 years' experience in pharma/biotech industry	%	92%	85%
Seniority	No.	7 years	7 years
Employee turnover ¹	%	5%	6%
Employee absence ²	%	3%	2%

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 the 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 EMA and the FDA. Please refer to the "Risk Management" section of the Annual Report for 2013.

Management believes that it is of fundamental importance to be in compliance with all relevant regulations, laws, standards and guidelines. Therefore, Genmab conducts internal and external audits according to an approved audit schedule and approved standard operating procedures.

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.

Genmab amends its policies and guidelines to stay up to date with current regulations and business trends. Our quality manual and quality risk management procedures were updated in 2011. The quality manual describes the quality policy and the quality management system covering our business processes including management’s responsibility. A global records management system was implemented in 2012.

2013 ACTIONS AND RESULTS	FUTURE EXPECTATIONS AND ACTIVITIES
<p>QUALITY ASSURANCE</p> <ul style="list-style-type: none"> • Training sessions for our global records management system were conducted in 2012 and 2013. <p>VENDOR SELECTION</p> <ul style="list-style-type: none"> • In 2013 we implemented ethical, social and environmental conditions as part of our vendor selection process for all new potential vendors related to Clinical/Contract Research Organizations (CROs) and Contract Manufacturing Organizations (CMOs). 	<ul style="list-style-type: none"> • Genmab will continue to conduct internal and external audits according to an approved audit schedule and approved standard operating procedures. Vendors are audited using a risk based approach. • As part of our future vendor selection process, Genmab will require new vendors to share their CSR policies and take these into consideration when evaluating proposals. Further initiatives will be considered and appropriate actions will be taken if needed.

CSR Focus: Environment including waste management and recycling

POLICIES AND GUIDELINES

Genmab implemented a group environment policy in 2011 in which we commit to protecting the environment and the health and safety of our employees, collaboration and business partners and the public by conducting business in a safe and environmentally sustainable manner. Genmab encourages employees to act in an environmentally friendly manner, to produce as little waste as possible and to collect waste for recycling where practicable. The management of lab waste at Genmab B.V. is audited annually and the waste license is maintained in compliance with all rules and regulations. Genmab B.V. lab employees 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 also enter service contracts for equipment such as copy machines when possible, which results in better maintenance, lower electricity use and lower carbon dioxide emissions. 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. Further, Genmab reduced electricity consumption by relocating Genmab A/S and Genmab US, Inc. to smaller offices in 2012.

Genmab encourages its employees to use public transport when traveling to work by partially reimbursing the incurred expenses at its European locations. Through its global travel policy Genmab restricts its employees' use of travel by plane and encourages the use of teleconferencing and videoconferencing as an alternative to business trips.

Finally, Genmab uses recycled paper for all printers and copiers, and procedures have been established for recycling and handling of old electronic equipment 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.

2013 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 lab operations by controlled waste treatment of chemicals. 	<ul style="list-style-type: none"> • Genmab aims to increase employee awareness and involvement in minimizing environment impact in 2014. • 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.

CSR Focus: Business Ethics and Transparency

POLICIES AND GUIDELINES

As a biotechnology company, Genmab's reputation as a trusted partner is crucial to its shareholders and business partners and is essential to the company's ability to conduct business. Genmab is committed to lawful and ethical behavior in financial and accounting matters, as well as all other activities, and requires its employees to comply with all applicable laws and regulations. Genmab has implemented a whistleblower program which is approved by the Danish Data Protection Agency.

In 2011, a code of business ethics for all our employees was implemented and communicated. The code of business ethics aims to promote 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 and promotion of pharmaceuticals. Furthermore, Genmab has guidelines for company communications regarding products in development.

2013 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. Refresher training regarding the code of business ethics was conducted in 2013. The 	<ul style="list-style-type: none"> • Additional training will be conducted as appropriate.

2013 ACTIONS AND RESULTS	FUTURE EXPECTATIONS AND ACTIVITIES
<p>whistleblower program was audited in 2013 by the Danish Data Protection Agency with no major findings.</p> <ul style="list-style-type: none"> Global compliance guidelines for interactions with healthcare professionals and promotion of pharmaceuticals were implemented in 2009. The guidelines were updated in 2013 and mandatory training was conducted. Refresher training regarding insider rules was carried out in 2013. A cookie policy was implemented on Genmab's website to inform users about how their website usage is analyzed in order to comply with Danish law. 	<ul style="list-style-type: none"> Genmab will continue to monitor regulations regarding interaction with healthcare professionals and will update the Company's compliance guidelines as appropriate. Additional training for the compliance guidelines will be conducted in 2014. Additional training will be conducted as appropriate. Genmab will continue to monitor regulations concerning website usage and privacy.