

# Corporate Social Responsibility Report 2018



Statutory Report on Corporate Social Responsibility (CSR) for  
2018, cf. art. 99a of the Danish Financial Statements Act

Genmab A/S

CVR no. 2102 3884

LEI code 529900MTJPDPE4MHJ122

## Our Commitment to Corporate Social Responsibility (CSR)

### OUR CORE PURPOSE AND VISION

Genmab is a leading biotechnology company that aims to create antibody products to transform the treatment of cancer. We have a well-diversified portfolio of products, product candidates and technologies, featuring two marketed products, DARZALEX® and Arzerra®, and four proprietary product candidates in clinical development. Our clinical pipeline also includes product candidates in clinical development by our partners and we have an extensive pre-clinical pipeline. In addition, our portfolio includes four proprietary technologies, which we use to create our own antibody products and license to other pharmaceutical and biotechnology companies.

Our commitment to CSR is anchored in our company's core purpose **"to improve the lives of patients by creating and developing innovative antibody products"** and our vision **"By 2025 our own product has transformed cancer treatment and we have a pipeline of knock-your-socks-off antibodies."**

Our vision inspires and motivates us to find new ways to improve healthcare and quality of life for patients and their families. We are committed to creating differentiated antibody products that have the potential to provide new treatment options to patients

with life threatening and debilitating diseases.

We believe we have a responsibility to ensure our actions benefit our direct stakeholders (patients, shareholders and employees) and society as a whole. With our core values and vision in mind, being socially responsible is fundamental to the way we do business at Genmab.

### HOW WE CARRY OUT OUR CSR INITIATIVES

In carrying out our business we comply with all relevant laws, standards and guidelines. We also consider the well-being of our employees a top priority, and we minimize our impact on the environment to the extent possible. We have high ethical standards and aim to conduct business with companies and within countries that share our ethics and respect the protection of internationally proclaimed human rights. As we conduct business in a highly regulated industry, we have chosen not to implement a specific human rights policy. It is important to us however, to support and respect the protection of internationally proclaimed human rights through other policies that address responsible supply chain management, ethical procedures, health and safety procedures, and issues regarding access to medicine. Genmab strives to only

conduct clinical trials in markets where a drug is planned to become available. Furthermore, Genmab does not employ child labor.

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

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 our ongoing initiatives and procedures. We also monitor new developments and practices and consider implementing new initiatives that could further enhance our CSR activities when appropriate.

# 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



Determined – being the best at what we do



Integrity – we do the right thing



Work as one team and respect each other

Genmab believes that an engaged and motivated workforce that is offered development opportunities will produce better quality work. Our Performance Planning & Review cycle includes our core values and is designed to support employee engagement and motivation. Genmab invests in the development of employee knowledge, skills and competencies as these are essential for the success of the employee and the company as a whole. One of the key investments we have made in this area is

a leadership development program where we further develop the skills of our leaders while nurturing talented employees, which in turn facilitates employee engagement and strengthens the leadership of the company. This program includes change management and transformational leadership concepts to support the future state of the organization.

Genmab utilizes a variety of indicators to measure employee satisfaction. Regular workplace audits are conducted at Genmab A/S and Genmab B.V. and employee surveys are conducted across all locations. These and other indicators allow us to consider actions to optimize our environment or working practices should it be deemed necessary.

Genmab has numerous policies in place to ensure the well-being, health, safety, and security of our employees. For example, we have corporate policies addressing smoking and alcohol consumption, dealing with work-related stress, different forms of leave, diversity and anti-discrimination, as well as health insurance plans. These policies also include measures to address safety in our laboratories and handling of dangerous substances. Management ensures that employees are trained to handle hazardous goods and chemicals correctly.

Teamwork and respect are central pillars of Genmab's culture and we therefore ensure an inclusive, 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.

The goal of Genmab's Board of Directors is to have at least 25% female board membership for board members elected by the General Meeting. Since 2017, the proportion of female board members elected by the General Meeting was 33%. Our goal of having 25% female board membership complies with targets specified under good corporate governance recommendations in Denmark. Our gender and diversity policies, as well as the 25% 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 force in Denmark. The text in the Diversity section below fulfills the requirements of Section 99b of the Danish Financial Statements Act.



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## 2018 ACTIONS AND RESULTS

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### Engagement and Development

- Our new global job architecture and remuneration policies were communicated to employees through face to face meetings with managers and employees as well as a video and email campaign.
- We began the process of evaluating solutions for a formal reward and recognition program to promote the Genmab values and ensure consistency of culture amidst expansion.
- We continued to communicate to our employees about the progress we made towards our vision during 2018 via company-wide meetings and webcasts. We also implemented two new global meeting series in 2018 to help ensure that employees are better informed about changes the organization is facing, general business progress, as well as in depth information about our products and technologies.
- An additional cohort of employees completed our customized Leadership Essentials program. In addition, managers were provided training regarding how to optimize the performance of team members.
- We continued to improve Genmab's Employee Value Proposition by revising our job architecture and some elements of our compensation practices to remain in line with the market and Genmab's compensation strategy.

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## FUTURE EXPECTATIONS AND ACTIVITIES

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- We will continue to explain our progress towards our 2025 Vision to our employees so that they can appreciate our achievements, understand what actions we still need to take, and how they contribute to making the company a success.
- We will continue to evaluate solutions for a formal reward and recognition program that aligns with our complex global recognition preferences.
- We will continue to improve Genmab's Employee Value Proposition to help us brand Genmab as an employer of choice.
- We will conduct an Employee Engagement Survey to ensure we grow in a manner consistent with our core values and will subsequently conduct certain activities to remedy any problematic findings.
- We will invite two additional cohorts of employees to complete our customized Leadership Essentials program.
- We will evaluate and automate all core HR processes to ensure scalability, harmonization, system readiness, and overall effectiveness.
- We will launch new training content to build core managerial competency within our ranks to ensure that employee development remains high in profile and priority at the company.
- We will continue to refine our talent acquisition practices and specifically build infrastructure to employ new Genmab associates in the EU and Japan markets.
- We will increase our focus on internal communications to ensure employees are well informed, with the aim of increasing employee engagement. Internal communications initiatives for 2019 include an in person all hands meeting, company-wide webcasts, and global meeting series to help ensure that employees are better informed about changes the organization is facing, general business progress, as well as in depth information about our products and technologies.

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## 2018 ACTIONS AND RESULTS

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### Employee Well-being

- Genmab engaged specialist advisors to conduct a security review during 2018, including cyber security, social engineering and physical facility security. A remediation plan was implemented to address the findings.
- A mandatory workplace assessment took place in Denmark during 2018.
- We continued to provide mandatory introductory training and ongoing training in security matters to employees, through our Security Awareness Program. This program helps to increase the security awareness of our employees and improve the physical security of our offices and employees.
- Health & Safety Prevention Workers continued to monitor and improve safety and workforce health at the Utrecht site.

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## FUTURE EXPECTATIONS AND ACTIVITIES

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- The Security Awareness Program will continue to provide training to employees and the remediation plan will be completed during 2019.
- Mandatory workplace assessments are conducted every third year in The Netherlands and Denmark, in compliance with local regulations. The next workplace assessment will take place in 2019, related to the new R&D facilities in Utrecht.
- Health & Safety Prevention Workers will continue to monitor and improve safety and workforce health at the Utrecht site. A safety app is in development with expected launch during 2019.

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### Diversity<sup>1</sup>

- Genmab remains committed to providing equal opportunities for employees at all management levels, regardless of gender, age, ethnicity, etc. 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. 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. Many nationalities are also represented by Genmab employees.
  - The Board of Directors evaluates the diversity of Genmab's management levels at least once a year to ensure diversity.
  - The proportion of female board members (elected by the General Meeting) in Genmab's Board of Directors remained at 33% during 2018.
  - Genmab B.V. strives to comply with the governmental "Participation Act" and has filled one dedicated position in its workforce for people who find it difficult to gain access to paid
- Genmab will continue to focus on the gender diversity of our workforce at all levels of the company.
  - The Board of Directors aims to maintain the proportion of General Meeting elected female board directors of at least 25% and is considering changing this target figure in the future. The Board of Directors will continue its efforts to ensure a balanced slate of male and female candidates is considered when board vacancies become available, while at the same time ensuring that the most qualified candidates are being nominated for election.
  - Genmab B.V. will continue to work towards compliance with the governmental "Participation Act" by adding a second dedicated position to its workforce for people who find it difficult to gain access to paid work because of disability or incapacity. These employees will be mentored and coached on the job. Five other Participation Act positions will be absorbed in the regular workforce.

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<sup>1</sup> This Diversity section fulfills the requirements of Section 99b of the Danish Financial Statements Act.

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## 2018 ACTIONS AND RESULTS

## FUTURE EXPECTATIONS AND ACTIVITIES

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work because of disability or incapacity. More Participation Act positions will be absorbed in the regular workforce in the coming years.

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MALE/FEMALE RATIOS	2018		2017	
	Male	Female	Male	Female
Genmab Group	41%	59%	43%	57%
Director level and above	45%	55%	50%	50%
Below director level	39%	61%	41%	59%
Annual promotions	44%	56%	29%	71%

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## 2018 ACTIONS AND RESULTS

## FUTURE EXPECTATIONS AND ACTIVITIES

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### HR Benchmarks

- In 2018, employee turnover was 6%; in 2017 it was 7%.<sup>2</sup> The turnover reflects both the current job market and Genmab's aim to attract and retain employees. Employee absence due to illness in 2018 was 3%, the same as in 2017. The employee absence level is in line with general healthcare industry rates.<sup>3</sup>
  - Genmab will continue to focus on employee satisfaction and engagement. We aim for an appropriate level of employee turnover and an absence rate in line with healthcare industry rates.
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<sup>2</sup> Employee turnover percentage is calculated by the FTE voluntarily leaving since the beginning of the year divided by the average FTE.

<sup>3</sup> 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.

# 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 that are intended to provide quality assurance of pre-clinical and clinical studies and the processing of the resulting data. Genmab is subject to, and complies with, 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 including the European Medicines Agency (EMA), the U.S. Food and Drug Administration (FDA) and others.

Genmab is committed and strives to comply with all relevant regulations, laws, standards, and guidelines. Genmab’s operations are audited by relevant authorities and Genmab conducts internal and external audits according to an approved audit schedule and approved standard operating procedures.

In accordance with guidelines and regulations, Genmab discloses data and other information from our clinical trials in external public registries, such as ClinicalTrials.gov and the EU Clinical Trials Register.

In addition, we amend our policies and guidelines to stay in line with current regulations and business trends.

Genmab is dedicated to the ethical and responsible treatment of all animals used in the development of medicines. Decisions regarding animal care, use and welfare are made by balancing scientific knowledge and regulatory requirements with consideration of ethical values and according to EU legislations. We feel that the principle of the 3Rs (reduction, refinement and replacement) is important and stimulate the use of non-animal (*in vitro*, *in silico*) studies prior to or instead of animal studies. Research animals are used only to address important scientific questions or fulfill a regulatory requirement. Animals involved in research within Genmab are all bred specifically for research purposes.

2018 ACTIONS AND RESULTS	FUTURE EXPECTATIONS AND ACTIVITIES
<p><b>Quality Assurance</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Genmab will continue to conduct internal and external audits for quality assurance.</li> </ul>
<p><b>Vendor Management</b></p> <ul style="list-style-type: none"> <li>We continue to consider the CSR policies in our management of vendors via standard operating procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Genmab will continue to consider the CSR policies of current and potential vendors as part of our vendor management process.</li> </ul>

# 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, 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 that minimizes impact on climate change, 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 with less toxic versions where feasible.

Genmab aims to save energy by using environmentally friendly climate control systems and equipping all locations with energy saving LCD screens. We select office and laboratory equipment that require low energy usage when possible. 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 green energy for the Copenhagen site.

At our European locations, we encourage employees to use public transportation to commute to work by partially reimbursing commuting expenses. Our global travel

policy provides guidelines for limiting unnecessary plane travel by employees and Genmab has invested in online meeting infrastructure to encourage 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.

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## 2018 ACTIONS AND RESULTS

### Environment

- 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.
- Construction of the new facility for Genmab B.V. was finalized in 2018. The building has a Reduction BREEAM (Building Research Establishment Environmental Assessment Method) Excellent certification. The facility is one of the first laboratories in The Netherlands to obtain a BREEAM Excellent certification.
- Genmab takes steps aimed at reducing plastic waste and uses biodegradable alternatives when available.

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## FUTURE EXPECTATIONS AND ACTIVITIES

- As our environmental impact is considered limited, Genmab has decided not to include any indicators for the environmental area at this time. Genmab will continue to focus on reducing our environmental impact where possible.
- Genmab will continue to minimize its environmental impact from laboratory operations by controlled waste treatment of chemicals.



# 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 maintains a whistleblower program and provided notification to the Danish Data Protection

Agency and Dutch Data Protection Authority regarding the processing of personal data relating to the whistleblower program. Furthermore, Genmab continues to adhere to its 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, and specific procedures for grants and sponsorships as well as other relevant compliance guidelines. Furthermore, Genmab has guidelines for company communications regarding products in development as well as policies and guidelines for processing personal data and privacy policies.

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## 2018 ACTIONS AND RESULTS

### Business Ethics

- No issues were reported under our code of business ethics or whistleblower program.
- Genmab continues to monitor legislation and regulations regarding interactions with HCPs. Mandatory training on the Company's compliance guidelines was conducted in 2018.
- Genmab has appointed a DPO (Data Protection Officer), established policies and guidelines for processing personal data at Genmab as well as implemented new processes and procedures to ensure compliance with the EU General Data Protection Regulation No 2016/679 ("the GDPR") which became applicable in May 2018, and mandatory training was arranged.
- In addition, privacy policies have been made available at the Company's corporate website to ensure transparency with respect to Genmab's processing of personal data.
- Refresher training for the insider rules was held in 2018.
- A record retention policy has been adopted in 2018 which also serves to ensure processing of personal data in accordance with applicable laws and regulations. A plan for implementation of the record retention policy in the various departments has been

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## FUTURE EXPECTATIONS AND ACTIVITIES

- Genmab will continue to monitor legislation and regulations regarding all relevant compliance areas and will update the Company's various compliance policies, guidelines, and procedures and conduct training as appropriate.
- A compliance function will be established to focus on establishing and updating relevant compliance policies, guidelines, and procedures, conducting training as appropriate and establishing an internal audit program to ensure compliance.
- The Company's code of business ethics and compliance guidelines will be updated in 2019, and mandatory training will be arranged.
- Refresher training for the insider rules will be held in 2019.

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## 2018 ACTIONS AND RESULTS

## FUTURE EXPECTATIONS AND ACTIVITIES

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made, and work on record retention plans and implementation of these in the various departments have been initiated.

- A number of standard operating procedures relating to Medical Affairs have been adopted and implemented.
  - A guideline for statements regarding products in clinical development was adopted.
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## Risks Related to CSR

Genmab has identified the following risks related to CSR. Please refer to Genmab's 2018 Annual Report for a description of other risk areas.

RISK RELATED TO	RISK AREAS	MITIGATION
<b>Employee well-being including health, safety and development</b>	Inability to attract and retain suitably qualified personnel	To attract and retain our highly skilled workforce, including the members of Genmab's Senior Leadership, Genmab offers competitive remuneration packages, including share-based remuneration.
<b>Ethics in relation to pre-clinical and clinical studies</b>	<p>Dependent on contract manufacturing organizations and clinical research organizations to conduct our clinical trials</p> <p>Subject to extensive regulatory and other legal requirements both during clinical development and post-marketing approval, including healthcare laws and regulations</p> <p>Legislation, regulations and practices may change from time to time and we may receive warnings from regulatory authorities regarding use in certain patient populations</p>	<p>Genmab oversees outsourcing relationships to ensure consistency with strategic objectives and service provider compliance with regulatory requirements, resources and performance. This includes assessment of contingency plans, availability of alternative service providers, and costs and resources required to switch service providers.</p> <p>To ensure compliance with regulatory and other legal requirements including current Good Laboratory Practices (cGLP), current Good Clinical Practices (cGCP) and current Good Manufacturing Practices (cGMP), Genmab has established a quality assurance department and makes every effort to stay abreast of regulatory changes to legislation to ensure compliance. To ensure compliance with applicable healthcare laws and regulations as well as data protection regulations, Genmab has established relevant policies and guidelines with mandatory training.</p> <p>To prevent unwarranted consequences of new and amended legislation, regulations etc., Genmab strives to be up to date with all relevant new legislation, regulations and practices by means of internal as well as external legal counsel. Also, internal procedures for review of contracts have been implemented to ensure contractual consistency and compliance with legislation and regulation.</p>
<b>Environment including waste management and recycling</b>	Hazardous materials are used in our operations and may be used by our partners and suppliers and must comply with environmental laws and regulations, which can be expensive and restrict how we do business.	Genmab conducts annual audits of laboratory waste at Genmab B.V. and maintains its waste license in compliance with all rules and regulations. Employees working in the laboratories at Genmab B.V. are instructed to replace highly toxic chemicals with less toxic versions where feasible.

RISK RELATED TO	RISK AREAS	MITIGATION
<b>Business Ethics and Transparency</b>	<p>Theft of intellectual property rights, sensitive business data, personal employee data, or private patient data, which may result in monetary losses or fines and penalties from authorities, could stem from the result of malicious hacking activities.</p> <p>Various laws protect the confidentiality of certain patient health information, and our failure to comply could result in penalties and reputational damage.</p> <p>Our employees and partners may engage in misconduct or other improper activities, including violating applicable regulatory standards and requirements, which could significantly harm our business.</p>	<p>Genmab educates its organization in methods to address exposure to cyber security threats and is actively working to improve the technical ability to protect against, detect and respond to attempts to enter its IT infrastructure.</p> <p>Genmab employs a compliance adviser, appointed as DPO, to ensure compliance with GDPR and to conduct training and audit as applicable. Genmab has adopted policies and guidelines for processing personal data and privacy policies are available at the Company's website to ensure transparency. Genmab also provides mandatory training to its employees to ensure compliance with GDPR.</p> <p>Genmab is committed to lawful and ethical behavior in all activities and we require our employees to comply with all applicable laws and regulations. Genmab adheres to its code of business ethics and provides regular training to employees. In addition, Genmab maintains a whistleblower program to allow employees to report unethical behavior anonymously. Furthermore, Genmab has implemented and communicated global compliance guidelines for interactions with healthcare professionals (HCP) and promotion of pharmaceuticals, and specific procedures for grants and sponsorships as well as other relevant compliance guidelines and procedures.</p>