

Corporate Social Responsibility Report 2017



Statutory Report on Corporate Social Responsibility (CSR)
for 2017, cf. art. 99a of the Danish Financial Statements Act
Genmab A/S
CVR no. 2102 3884
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Statutory report on CSR for the financial year 2017 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 2017.

Our Commitment to Corporate Social Responsibility

OUR CORE PURPOSE AND VISION

Genmab’s commitment to Corporate Social Responsibility (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. Our efforts to address unmet medical needs have led to the creation and market launch of DARZALEX® (daratumumab) and Arzerra® (ofatumumab) and to the development of a robust pipeline of pre-clinical and clinical products.

We believe we have a responsibility to ensure our actions not only benefit our main stakeholders (patients, shareholders and employees), but also 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

When carrying out our business we strive to 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 only conducts 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 of our ongoing initiatives and procedures. As part of our commitment to CSR we monitor new developments and practices and have a process via which we consider implementing new initiatives that could further enhance our CSR activities.

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 areas 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.

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.

Genmab's Board of Directors set a goal to increase the proportion of female board members elected by the General Meeting to at least 25% by 2016. This goal was achieved at the 2017 General Meeting with the election of a second female board member, bringing the proportion of female board members elected by the General Meeting to 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 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.

2017 ACTIONS AND RESULTS

Engagement and Development

- A new global job architecture (including new globally aligned grades and levels), remuneration policy, salary structure and bonus & equity scheme have been adopted.
- We continued to communicate to our employees about the progress we made towards our vision during 2017 via company-wide meetings and webcasts, team building events, and other communications vehicles.
- We held a company-wide meeting to strengthen teamwork, employee engagement, and motivation. Results of a survey conducted after the event showed that 97% of attendees were satisfied or very satisfied with the event and 95% said they would be better able to collaborate with colleagues as a result of the event.
- Individuals who completed our customized Leadership Essentials program in 2015-2016 received additional follow up training during 2017.
- We worked on defining an Employee Value Proposition that will help us brand Genmab as an employer of choice.
- We continually include our core values in our internal communications to encourage a strong company culture. As part of these communications in 2017, we completed roll out of a project to engage employees in our core values and ensure that new employees understand our core values going forward.
- We conducted an Employee Engagement Survey in 2017. The survey had a response rate of 79%. 84% of responders reported being highly motivated and committed to the job, with 80% saying they would recommend that others apply to work at Genmab. The survey results showed a good overall satisfaction score, though the score was slightly lower than the last survey in 2015.

Employee Well-being

- Genmab made progress with its IT Security Improvement Project to increase protection of Genmab's critical business information and personally identifiable information. In 2017, we increased the security of our IT infrastructure at all our sites with state-of-the-art firewalls that include intrusion detection capabilities and security monitoring.

FUTURE EXPECTATIONS AND ACTIVITIES

- 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. Part of these communications includes an annual all hands meeting.
- The new global job architecture and remuneration policies will be communicated to employees in 2018.
- We will continue to improve Genmab's Employee Value Proposition to help us brand Genmab as an employer of choice.
- We will explore ways to address the areas of concern identified in the Employee Engagement Survey and execute improvements.
- We will develop and launch a formal reward and recognition program to promote the Genmab values and ensure consistency of culture amidst expansion.
- We will evaluate all core HR processes to ensure scalability, harmonization, system readiness, and overall effectiveness.
- We will expand our leadership development program to include more change management and transformational leadership concepts to support the future state of the organization.
- 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 launch new recruiting and onboarding/orientation programs to effectively integrate new staff into the Genmab business and culture.

- The Security Awareness Program will continue to provide training to employees throughout 2018.
- Mandatory workplace audits are conducted every third year in The Netherlands and Denmark, in compliance with local regulations. The next workplace audit will take place in 2018, related to the new R&D facilities in Utrecht and new offices in Copenhagen.

2017 ACTIONS AND RESULTS

- A Security Awareness Program, which provides mandatory introductory training and ongoing training in security matters to employees, was rolled out in early 2017. 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 appointed at Genmab B.V. are running a Safety, Health & Environment project to increase safety at the Utrecht site and to improve the health of the workforce in areas identified for potential improvement.

Diversity¹

- Genmab remains committed to providing equal opportunities for women and men at all management levels. 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.
- With the election of a second female board member at the 2017 Annual General Meeting, the proportion of female board members was increased to 33%.

FUTURE EXPECTATIONS AND ACTIVITIES

- The Safety, Health & Environment project will continue to monitor and improve safety and workforce health at the Utrecht site.

- Genmab will continue to focus on the gender diversity of our workforce at all levels of the company.
- The Board will aim to maintain the proportion of General Meeting elected female board directors of at least 25%. 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 comply with the governmental "Participation Act" by adding two dedicated positions 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.

MALE/FEMALE RATIOS

	2017		2016	
	Male	Female	Male	Female
Genmab Group	43%	57%	46%	54%
Director level and above	50%	50%	53%	47%

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

MALE/FEMALE RATIOS	2017		2016	
Below director level	41%	59%	43%	57%
Annual promotions	29%	71%	36%	64%

2017 ACTIONS AND RESULTS

FUTURE EXPECTATIONS AND ACTIVITIES

HR Benchmarks

- In 2017, employee turnover was 7%; in 2016 it was 8%.² The turnover reflects both the current job market and Genmab's aim to attract and retain employees. Employee absence due to illness in 2017 was 3% compared to 4% in 2016. The employee absence level is in line with general healthcare industry rates.³
- 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.

² Employee turnover percentage is calculated by the FTE voluntarily leaving since the beginning of the year divided by the average FTE.

³ 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 such as the European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA). Please refer to

the “Risk Management” section of the Annual Report for 2017 for more information.

Genmab is committed and strives to comply with all relevant regulations, laws, standards, and guidelines. 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.

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 (DIRECTIVE 2010/63/EU). 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.

2017 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. 	<ul style="list-style-type: none"> Genmab will continue to conduct internal and external audits for quality assurance.
<p>Vendor Management</p> <ul style="list-style-type: none"> We continue to consider the CSR policies in our management of vendors via standard operating procedures. 	<ul style="list-style-type: none"> Genmab will continue to consider the CSR policies of current and potential vendors as part of our vendor management process.

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, 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. In addition, Genmab has implemented two-sided printing as corporate standard and encourages environmental friendliness in the standard e-mail signature.

2017 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.
- The new facility for Genmab B.V. is currently being built and is expected to be finalized in 2018. Reduction of environmental impact is guaranteed by having a BREEAM (Building Research Establishment Environmental Assessment Method) Excellent certification for the building. The new facility will be one of the first laboratories in The Netherlands to obtain a BREEAM Excellent certification.

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.

2017 ACTIONS AND RESULTS

FUTURE EXPECTATIONS AND ACTIVITIES

- Genmab A/S moved to an environmentally friendly office building during 2017, which has among other things, more efficient heating and cooling and lighting systems.
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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. Furthermore, Genmab has guidelines for company communications regarding products in development as well as guidelines for processing personal data and privacy policies.

2017 ACTIONS AND RESULTS

Business Ethics

- No issues were reported under our code of business ethics or whistleblower program.
- Refresher training for the code of business ethics was conducted in the beginning of 2017.
- Genmab continues to monitor legislation and regulations regarding interactions with HCPs. Mandatory training on the Company's compliance guidelines was conducted in 2017. Specific procedures for grants and sponsorships were adopted in 2017.
- An in-house workshop with relevant stakeholders was held in 2017 regarding communication to the market about products in development. Genmab's corporate communication guidelines were subsequently updated.
- A compliance adviser has been employed to drive the implementation of new processes and procedures to ensure compliance with the new EU General Data Protection Regulation No. 2016/679 (the "GDPR"), which entered into force in May 2016 and which becomes applicable in May 2018. Further, a GDPR Steering Committee was established to follow and oversee the progress and implementation of the GDPR.
- Guidelines for processing personal data at Genmab have been adopted. In addition privacy policies have been made available at the Company's

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.
- The Company's compliance guidelines will be updated in 2018, and mandatory training will be arranged.
- Genmab will continue to work on the implementation of new processes and procedures to ensure compliance with the EU General Data Protection Regulation No 2016/679 ("the GDPR"). Mandatory training will be arranged in 2018.
- Refresher training for the insider rules will be held in 2018.
- Refresher training for the code of business ethics will be held in 2018.

2017 ACTIONS AND RESULTS

FUTURE EXPECTATIONS AND ACTIVITIES

corporate website to ensure transparency with respect to Genmab's processing of personal data.

- Refresher training for the insider rules was held in 2017.
-