

Corporate Social Responsibility Report 2016

Innovating antibodies,
improving lives



Statutory Report on Corporate Social Responsibility (CSR)
for 2016, cf. art. 99a of the Danish Financial Statements Act
Genmab A/S
CVR no. 2102 3884

Statutory report on CSR for the financial year 2016 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 2016.

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 take actions to 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

Work as one team and respect each other

Determined – being the best at what we do

Integrity – we do the right thing

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 to 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. Such indicators also allow us to consider actions to optimize our environment or working practices should this be deemed necessary.

Genmab has numerous policies in place to ensure the well-being, health, safety, and security 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 are conducted at Genmab A/S and Genmab B.V. and employee surveys are conducted across all locations.

Health and safety is addressed by policies to optimize the workplace, to manage workload and to deal with work-related stress. 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 is one of the 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. The goal was not met in 2016, however, we will continue to work toward this goal in 2017, while also ensuring that we select the best candidates for board membership. The 25% goal 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.

2016 ACTIONS AND RESULTS

Engagement and Development

- In 2016, we conducted a global compensation and benefits survey and implemented solutions based on the survey results. A global reward policy and aligned grading system has been developed.
- We continued to communicate to our employees about the progress we made towards our vision during 2016 via company-wide meetings and webcasts, a video series with members of our Core Leadership Team, and other communications vehicles.
- We continued to manage the succession planning established in 2015 and align it with talent management activities.

FUTURE EXPECTATIONS AND ACTIVITIES

- We will continue to explain our progress towards our 2025 Vision with 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 implement the newly designed job architecture and banding in 2017 and develop career pathways.
- In 2017, we will continue our project to engage employees in our core values. The project will also enable us to ensure that new employees understand our core values going forward.
- We will conduct an Employee Engagement Survey in 2017.

2016 ACTIONS AND RESULTS

- We executed a customized leadership program for senior leadership in 2015 and conducted additional workshops for senior leadership in 2016. A Leadership Essentials program was established for employees at other levels of the company and three cohorts of talented employees have successfully completed the program to date.
- We worked on defining an Employee Value Proposition that will help us to brand Genmab as an employer of choice.
- Based on the newly developed grading system, we are defining career pathways as part of our efforts to maintain employee retention at an acceptable level.
- We began a project to further engage our employees with our core values. The project will be rolled out in 2017.

Employee Well Being

- Based on the global employee survey of 2015, an action plan was developed and improvements were implemented. As a result of the survey, Genmab investigated how to keep workload within acceptable limits and workforce planning has been adapted. Some of the improvement areas identified in the employee engagement survey of 2015 were included in the specifications for the new facilities of Genmab B.V. and Genmab A/S in 2017.
- Mandatory workplace audits will be conducted every third year in The Netherlands and Denmark, in compliance with local regulations. The next workplace audit will take place in 2017/2018, related to the new Genmab R&D facilities in Utrecht and the new facilities in Copenhagen.
- Genmab employees participated in various charity activities, including a day of volunteering and donating funds to charity.
- Genmab offered first aid, cardiopulmonary resuscitation (CPR) and automated external defibrillator (AED) training at its offices in the United States. AED training was also offered at the offices in Copenhagen.
- In 2016, Genmab implemented an IT Security Improvement Project to enhance the security level of IT infrastructure and our facilities, as well as to increase the security awareness of employees. The project aims to increase protection of Genmab's critical business information, personally identifiable information, as well as the physical security of our employees and offices.
- In 2016, Genmab B.V. appointed Health & Safety Prevention Workers to develop initiatives to increase safety at the Utrecht site and to improve the health of the workforce.

FUTURE EXPECTATIONS AND ACTIVITIES

- In 2017, Genmab plans to hold a company-wide meeting to strengthen teamwork, employee engagement, and motivation.

- A Security Awareness Program, which provides mandatory introductory training and ongoing training in security matters to employees, was rolled out in early 2017.
- Genmab will continue to make improvements in areas identified in the employee engagement survey of 2015 in 2017.

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 new female board member at the 2015 Annual General Meeting, the proportion of female board members was increased to 20%. At the 2016 Annual General Meeting, all board members were re-elected maintaining the proportion of female board members at 20%.
 - Genmab B.V. will adhere to a new governmental "Participation Act" by giving priority to the employment of people who find it difficult to gain access to paid work because of disability or incapacity. A business case has been delivered on how to comply with the participation act from 2018 onwards.
 - Genmab will continue to focus on the gender diversity of our workforce at all levels of the company.
 - The Board will continue to work towards its 2016 goal of increasing the proportion of General Meeting elected female board directors to 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.
 - Further planning to ensure compliance with the participation act from 2018 onwards, including creating a limited amount of dedicated positions for employees with a disability or incapacity, and by opening existing positions for employees that are included in this group.
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MALE/FEMALE RATIOS	2016		2015	
	Male	Female	Male	Female
Genmab Group	46%	54%	44%	56%
Director level and above	53%	47%	54%	46%
Below director level	43%	57%	40%	60%
Annual promotions	36%	64%	45%	55%

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

2016 ACTIONS AND RESULTS

HR Benchmarks

- In 2016, employee turnover was 8%; in 2015 it was 3%. The seniority of our employees was 7 years in both 2016 and 2015. 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 2016 was 4% compared to 2% in 2015. The employee absence level is in line with the general healthcare industry rates.
 - 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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KEY EMPLOYEE RATIOS	2016	2015
FTE at the end of the year	205	186
Research and development employees	86%	87%
Administrative employees	14%	13%
Average age of workforce	41 years	41 years
Number of nationalities	13	12
Employees holding an advanced degree (Ph.D., Doctoral or Master)	50%	47%
More than 5 years' experience in pharma/biotech industry	78%	90%
Seniority	7 years	7 years
Employee turnover ²	8%	3%
Employee absence ³	4%	2%

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, 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 U.S. Food and Drug Administration (FDA). Please refer to the “Risk Management” section of the Annual Report for 2016 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.

2016 ACTIONS AND RESULTS

Quality Assurance

- 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.

Vendor Management

- We continue to consider the CSR policies in our management of vendors via standard operating procedures.
- In 2016, Genmab aligned the vendor management process across our sites.

FUTURE EXPECTATIONS AND ACTIVITIES

- Genmab will continue to conduct internal and external audits for quality assurance.

- 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 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 includes a "think-before-you-print" message in the standard e-mail signature.

2016 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 expected to be finalized in 2017. 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 the first laboratory 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 have 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. Furthermore, Genmab has guidelines for company communications regarding products in development.

2016 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. The Company's compliance guidelines were updated in 2016, and mandatory training was conducted in 2016 and the beginning of 2017.
- Refresher training for the insider rules to employees was conducted in 2016. Genmab has established new processes and procedures regarding insider information to comply with the new Market Abuse Regulation (EU Regulation No 596/2014) which entered into force on July 3, 2016.

FUTURE EXPECTATIONS AND ACTIVITIES

- Genmab will continue to monitor legislation and regulations regarding interactions with HCPs and will update the Company's compliance guidelines and conduct training as appropriate.
- Genmab will commence the implementation of new processes and procedures to ensure compliance with the new EU General Data Protection Regulation No 2016/679 which entered into force in May 2016 and which becomes applicable in May 2018.
- Refresher training for the insider rules will be held in 2017.
- Refresher training in pharma compliance and company communications regarding products in development will be held in 2017.