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Sustainability Report 2022

Ronetta Stokes
Living with migraine



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www.lundbeck.com

Photography
Frontpage and p. 2: from private collection
p. 4: Søren Svendsen
p. 12: Colourbox (center and right)
p. 13: EMHA

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Ongoing commitment to UN Global Compact

Lundbeck is a participant in The United Nations Global Compact which we became a signatory to in September 2009. We would like to express our continued support for the Global Compact and hereby renew our ongoing commitment to the initiative and its principles. In addition to this report, we will disclose our progress using the new digital CoP platform in 2023.

About Lundbeck

Lundbeck is a global pharmaceutical company specialized in brain diseases

For more than 70 years, we have been at the forefront of neuroscience research. We are tirelessly dedicated to restoring brain health, so every person can be their best. We are committed to fighting stigma and discrimination against people living with brain diseases and advocating for broader social acceptance of people with brain health conditions. Our research programs tackle some of the most complex challenges in neuroscience, and our pipeline is focused on bringing forward transformative treatments for brain diseases for which there are few, if any, therapeutic options.



It's not going to win; I'm going to keep fighting and being a warrior. Migraine is going to have to learn how to deal with me.



Ronetta Stokes

Living with migraine

U.S.

Ronetta, now 49, began experiencing migraine attacks in her teens, but it was decades before she received a diagnosis of chronic migraine and chronic intractable migraine with, and without, aura. Her migraine attacks start as a pulsing, throbbing pain in the front right side of her head. The pain then migrates to the back of her head, and she feels intense pressure and tension in her head, neck and shoulders. Nausea, dizziness and light

sensitivity soon follow. She also has noise sensitivity and hears a unique ringing in her ears – like the whooshing sound of flowing water. Constant and unrelenting. When an attack hit, all she wants is to pull a blanket over her head and retreat from the world. "I just want to be left alone with no noise, no light, just dark," she explains.

Read Ronetta's full story on Lundbeck.com.



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OTHER REPORTS



Find our Annual Report, Remuneration Report and Corporate Governance Report on → [Lundbeck.com](https://www.lundbeck.com)

Danish Statutory Disclosure

This report constitutes Lundbeck’s compliance with the statutory disclosure on corporate social responsibility, in accordance with the Danish Financial Statements Act pursuant to the EU Directive on non-financial reporting.

Reporting on sections 99a, can be found on [pages 2-46](#), 99b on [24-25 and 40](#), 99d on [page 42](#), and 107d on [pages 23-24 and 40](#).

LETTER FROM THE CEO

Resilience in unprecedented times

We live in unprecedented times, where within a few short years we have had to navigate our business through a global pandemic, a war in Europe, high levels of inflation, and other forms of global uncertainty. Making the right decisions to secure the long-term, sustainable future of our business has never been more important than in 2022.

At Lundbeck, we see brain health as being fundamental to good health over the course of an individual's life. It does not simply imply the absence of a disorder, but also includes the ability for those living with a brain disorder to thrive.

Based on our deep understanding of what it is like living with brain disease, we argue that there is an urgent need to prioritize brain health. It is estimated that brain disorders directly affect about half of the world's population and cost up to 10% of the world's gross domestic product (GDP).

We say that there is no health without brain health. That is why we are tirelessly dedicated to restoring brain health, so every person can be their best. Delivering efficacious and safe medicines and investing in developing new treatments is our most significant contribution to society.

We have delivered on 2022 targets on creating positive outcomes through impactful partnerships with a number of advocacy, educational, and aid organizations.

Lundbeck recognizes that we can do better still with regards to finding innovative ways of making brain health accessible and affordable for all. In September, we announced a credit agreement concerning our existing EUR 1.5 billion revolving credit facility to incorporate sustainability-linked targets.

Our sustainability-linked loan is further evidence of our commitment to ensuring that sustainability runs through everything we do. By integrating environmental and social targets into our finance approach, sustainability benefits our cost of finance and underscores our commitment to our sustainability targets.

Lundbeck will direct realized interest savings towards new sustainability-related initiatives focused on increasing access to brain health between 2022 and 2025.

2022 also marked the next step in our climate commitment journey. With this report we can present Lundbeck's first low carbon transition plan for how we will reach our zero emissions target no later than 2050.

We are also proud to present strong progress against our near-term carbon targets and even higher ambitions for both climate and circularity.

“
Our sustainability-linked loan is further evidence of our commitment to ensuring that sustainability runs through everything we do.
”

We have been successful in further strengthening our management of business ethics risk as well as launching our neurodiverse workplace commitment, just to mention a few important sustainability results in 2022.

We always strive to improve and, while we did not meet two of our 11 sustainability targets for the year, we have taken action to enhance the effectiveness and resilience of our action plans.



I hope you will enjoy reading more about these and other initiatives in the report.

Deborah Dunsire
President and CEO of Lundbeck

Sustainability Key Figures

ACCESS TO BRAIN HEALTH



+8 million

Our portfolio of products reaches more than 8 million people on a daily average¹

BUSINESS ETHICS COMPLIANCE

98.6%

employees completed the annual e-learning on the Code of Conduct.



CLIMATE ACTION



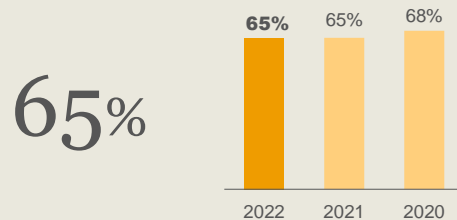
▼29%

reduction in **scope 1 & 2** carbon emissions vs. 2019 SBTi target baseline.

▼3%

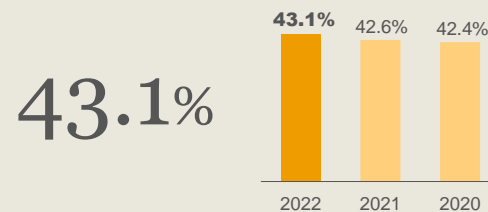
estimated reduction in **scope 3** carbon emissions vs. 2019 SBTi target baseline.

CHEMICAL RECYCLING



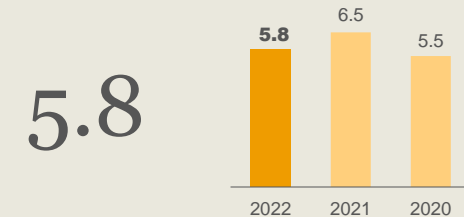
Recovery and reuse of the organic compounds used in chemical production.²

WOMEN IN MANAGEMENT



Gender split for all people managers globally of 43.1% women and 56.9% men.

HEALTH & SAFETY



Frequency of lost time accidents per one million working hours for all employees globally.

1) Estimated patient years based on 2022 sales data for Lundbeck products, excluding Otsuka partner products

2) Maximum potential varies annually based on expected production volume and mix.

Our Business Model

We are tirelessly dedicated to restoring brain health, so every person can be their best.

WHO WE ARE



One team, dedicated to restoring brain health

5,400 diverse and talented employees, operating across 50+ countries that work in close collaboration with partners, institutions, and patient advocacy groups to provide innovative treatments for brain diseases.

WHAT WE DO



Research & Development

Building a pipeline filled with premier neuroscience through partnerships, licenses, regional rights deals, or acquisitions.



Manufacturing

Four production sites, using responsibly sourced raw materials and certified safety and environmental management practices.



Marketing & Sales

Strong focus on brain health, with a product portfolio of strategic and heritage medicine brands marketed and sold in 100+ countries.



In-house advisory and support

Business support functions that enable efficient, modern, fit for purpose, and sustainable business processes.

HOW WE SERVE PATIENTS

Innovation

We work to understand the underlying disease biology and identify new targets in the brain for innovative, transformative treatments. We develop safe, reliable, and efficient manufacturing processes, and we actively use patient insights in our drug discovery efforts.

Raising awareness

We enter partnerships to co-create and publish evidence that fights stigma, and we advocate for political and systemic change. We partner with mission-similar stakeholders across our value chain to accelerate our efforts in advancing science and patient outcomes.

Sustainable production

We strive to create a robust supply chain through continuous improvement of reliability, quality, sustainability, and cost. We measure and monitor our environmental, social, and governance performance across our operations.

Constant care

We create the context, culture, and systems where all Lundbeck employees can be their authentic self and perform at their best, ultimately benefitting people living with brain diseases globally.

Education

We arrange scientific and promotional events and other activities to educate healthcare professionals and other stakeholders about brain health and the safe and effective use of our products.

Ethical business operations

We set high ethical standards in marketing and all interactions with healthcare professionals and patients.

VALUE CREATED



Meeting patient needs

Our portfolio of products reaches more than 8 million people on a daily average, increasing the quality of life for patients, championing disease awareness, and access to health.



Giving back to society

Everywhere we operate, we strive to make a positive contribution to our communities.



Creating shareholder value

Ensuring long-term, sustainable, profitable growth.

FOUNDATION OWNERSHIP

Majority foundation ownership with long-term commitment to brain health.

Our Material Impacts

This report covers the topics we currently consider to be the most material and important to our stakeholders, our business, and to society.

Four main societal challenges guide Lundbeck's approach to sustainability. Our strategy aims to ensure that we mitigate our most significant sustainability risks and adverse impacts related to these challenges.

Below is an overview of impacts, risks, and opportunities for the main material issues. This includes how they relate to the UN Sustainable Development Goals (SDGs).

Starting in 2023, we will be updating our sustainability strategy to align with the disclosure and due diligence requirement set out in the EU Directives related to corporate sustainability conduct and reporting. This will mean an extended process for assessing our impacts, risks, opportunities, and double materiality in our operations and in the value chain.

See the [Sustainability Statements](#) section of this report for disclosures regarding other material issues and how we manage them.

SOCIETAL CHALLENGES

Materiality aspects

What are the main issues that Lundbeck can impact?

How does this represent a risk to our business?

How is it an opportunity for our business?

Which SDG is it related to?

Unmet Patient Needs

- Pressured healthcare systems
- Inequality and barriers in access
- Stigmatization of brain disease
- Neglected rare diseases

If Lundbeck is not part of the solution to these challenges, it threatens our license to operate.

When Lundbeck is successful in positively impacting these challenges in society, it benefits the people we are dedicated to help and our business' financial value creation.



Business Ethics

- Corruption and unethical marketing
- Increasing demand for transparency
- Patient safety and product quality

If we do not follow applicable rules and regulations, we risk losing public trust and our license to operate.

When Lundbeck maintains ethical business practices and respects rules and regulations, we safeguard patient safety, uphold stakeholder integrity, and minimize the risk of financial repercussions.



Climate Change & Circularity

- Transition to zero emissions future
- Scaling circular solutions
- Environment and biodiversity under pressure

If we do not minimize our impact on the environment in the entire value chain, we risk restrictions that can disrupt our production and supply to the detriment of patients.

When Lundbeck is taking a leadership position on climate action and continuously integrating circular solutions, we are making our business highly energy and resource-efficient and robust towards future transitional changes.



People & Communities

- Lack of gender equality
- Disrespect for human rights
- Lack of safe and inclusive working conditions

If we cannot retain and develop engaged and dedicated scientists and other staff, we will not develop new treatments for patients.

When Lundbeck is successful in maintaining a safe, inclusive culture, free of harassment and discrimination, it helps us remain a preferred employer and attract the best talent.



Sustainability Targets

Issues

ACCESS TO BRAIN HEALTH

Scoping a global approach to measuring the impact of and access to medical education of health care professionals we are funding

Donate treatment for at least 1,500 patients in low- and middle-income countries through product donation partnership

BUSINESS ETHICS

Annual Code of Conduct training completed by all employees at work globally

Increase the share of employees stating in the annual ESS that they are confident in raising an ethical or compliance concern

CLIMATE ACTION

Reduce total carbon footprint across own operations, supply, and distribution in line with our 15-year near-term Science-Based Target¹

ENVIRONMENTAL MANAGEMENT

Recycle 64% of the organic compounds used in chemical production

Recycle 73% of general waste

DIVERSITY & INCLUSION

Increase in share of underrepresented gender at senior management level year on year²

HEALTH AND SAFETY

Reduce lost time accident frequency ≤ 4

Not more than three high consequence work related accidents with absence

2023 target

2022 target

✓ Ensure all disease awareness sponsorships measurably support brain health in general, mental health and suicide prevention, or migraine

✓ Donate treatment for at least 1,000 patients in low- and middle-income countries through product donation partnership

✓ Annual Code of Conduct training completed by all employees at work globally

✓ Increase the share of employees stating in the annual ESS that they are confident in raising an ethical or compliance concern

○ Reduce total carbon footprint across own operations, supply, and distribution in line with our Science-Based Target¹

✓ Recycle 63% of the organic compounds used in chemical production

✗ Recycle 70% of general waste

✓ Build an even more inclusive organization with a specific 2022 initiative focusing on cultural awareness across the organization

✓ Increase in share of underrepresented gender at senior management level²

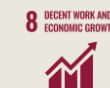
✗ Reduce lost time accident frequency ≤ 5

✓ Not more than four high consequence work related accidents with absence

This year, nine out of 11 targets have been achieved or are on track.

See the [Sustainability Statements](#) section of this report for more performance measures on a range of sustainability matters that we use to steer and monitor our progress.

SDG Impact



1) We report progress annually on our 15-year targets in Scope 1 & 2 (own produced energy and purchased energy) and Scope 3 (emissions from supply, services, distribution, and business travel).

2) Executive Vice Presidents, Senior Vice Presidents, and Vice Presidents.



Unmet Patient Needs



Lundbeck is one of the few companies in the world exclusively committed to the extremely challenging space of brain health.

We see brain health as being fundamental to good health and aspire to help meet the unmet patient needs for brain health.

1 bn

people globally are estimated to live with at least one mental health disorder.¹

800,000

people die by suicide every year: that's one person every 40 seconds.



2030 ASPIRATION

- Leverage our specialist knowledge to address the burden of brain diseases and make efficacious medicine available
- Promote accessibility of our medicines by addressing discriminatory, physical, economical, and informational barriers
- Improve mental health parity, reduce stigma, support national suicide prevention efforts, and enhance cultural acceptability of brain diseases
- Provide high-quality medicinal products, safeguard patient safety, and combat counterfeit medicine

1) 970 million according to GBD 2019 Diseases and Injuries Collaborators (2020), "Global burden of 369 diseases and injuries in 204 countries and territories, 1990–2019: a systematic analysis for the Global Burden of Disease Study 2019." *The Lancet*, 396, 1204–1222.



Unmet Patient Needs

PUTTING THE BRAIN ON THE AGENDA

One of the pharmaceutical industry's most material sustainability issues is how the industry supports good health and wellbeing for all, leaving no one behind.

Brain health is under-prioritized despite its huge burden, especially when compared with other non-communicable diseases.

With more than 70 years of experience in developing innovative treatments for brain disorders, we are keenly aware of the many obstacles that can prevent an individual from achieving brain health. Whether it be genetics, age, race, sex, ethnicity, or socio-economic determinants of access to healthcare, understanding and fully evaluating the multitude of factors that influence a person's health are key to both the development of good medicine and equitable advances in brain health.

Since adopting our Access to Brain Health strategy in 2020, Lundbeck has taken a number of proactive steps in our 2030 **Access to Brain Health strategy**.

TRANSFORMATIVE TREATMENTS

Lundbeck works with our partners across the world to make sure more financial and humanistic resources are dedicated to brain health and its associated disorders. We also

partner with medical societies and advocacy groups to empower the voices of those with lived experience and educate policy makers on the importance of brain health.

Our focus on research remains the most important pillar in Lundbeck's ambition to improve access to brain health, by making innovative treatments available. There is a significant unmet need in mental health and neurology, and we are committed to supporting those living with migraine and other neurological disorders. See more in our **Annual Report 2022** on our scientific achievements in 2022, in our push to discover and develop transformative medications for niche and rare brain disorders.

AWARENESS AND ADVOCACY

Stigma continues to be a barrier to brain health - this should be addressed with education and awareness-raising campaigns. We want to normalize discussions about brain health and its associated disorders, and bring them to policy makers, to healthcare settings, to patient communities, and to society as a whole.

Partnerships are an important way of working for Lundbeck. Together with key stakeholder groups from different areas, we can do more and go further than we can on our own. Therefore, we prioritize our long-term partnerships.

Every year, Lundbeck partners with global and local patient advocacy groups and sponsors some of their impactful awareness campaigns in the areas of brain health, neurology, and mental health. In 2022, we sponsored 12 groups globally together with a multitude of local initiatives. See three local examples on **page 12** of this report.

EDUCATION IN BRAIN HEALTH

As a scientific leader in brain health, Lundbeck has a long history of providing evidence-based neurology and psychiatry educational material and training for healthcare professionals.

In the coming years, Lundbeck will be evaluating a global digital ecosystem enabling access to learning programs and measuring their global impact. This approach can provide adaptive and personalized learning opportunities for healthcare professionals based on their individual learning needs.

We will seek partnerships in the creation of and access to medical education, in order to ensure the highest standards in medical education. We believe that supporting healthcare professionals' learning needs will ultimately support improving patient outcomes.



+8 million people

ACCESS TO BRAIN HEALTH

We estimate that more than 8 million people are reached on a daily average with the products Lundbeck produced in 2022.¹

1) Estimated patient years based on 2022 sales data for Lundbeck products, excluding Otsuka partner products



UNITED AGAINST STIGMA

World Mental Health Day is an important day to raise awareness and recognize the importance of mental health. At Lundbeck, we organize an annual global campaign on this day where we show our support, to help fight stigma and make a difference. In 2022, the theme was “United Against Stigma”, and Lundbeck encouraged all of our employees to help spread the word and participate in one of the many World Mental Health Day activities of our affiliates together with our local partners.

Every year, more than 800,000 people die by suicide. Many factors contribute to this devastating number. One datapoint is that an individual living with depression is twenty times more likely to die by suicide than someone without the disorder.¹ At Lundbeck, we strongly believe that we need to talk more about suicide, address risk factors, leverage protective factors, and urge policymakers to improve healthcare systems.

One of the ways Lundbeck works to help spread awareness about suicide is supporting World Suicide Prevention Day. In 2022, the global

Creating Hope Through Action campaign aimed to inspire confidence and light in all of us—that our actions, no matter how big or small, may provide hope to those who are struggling. By raising awareness, reducing the stigma around suicide, and encouraging well-informed action, we can reduce instances of suicide around the world.

SUPPORT FOR THE PATIENT’S VOICE

Another important advocacy activity we prioritize is the “patient’s voice”. Learning from people with lived experience, their families, and the healthcare community is of the highest value to us.

A main event during the year is Lundbeck’s #1VoiceSummit. It brings together the global and local patient communities to exchange ideas, collaborate, and partner up to find ways to amplify the voice of people with lived experience of brain disorders. In June, the event was held online and brought together nearly 130 participants from 60 patient advocacy groups from 15 different countries.

An example of our global advocacy sponsorships is the collaboration with the European Migraine & Headache Alliance described later in this report.

PRODUCT DONATION PARTNERSHIP

Through our partnership with International Health Partners (IHP), we can provide access to underserved communities and offer much-needed support to those living with brain disorders.

In 2022, Lundbeck donated medication that is estimated to be able to help at least 4,000 people through charitable clinics in Lebanon, the West Bank, and Gaza. Lundbeck’s costs amount to approximately 1 million DKK to cover production, transport, and program support to IHP.

Manufactured to be donated, the medication provided by Lundbeck has enabled IHP to offer **a targeted program** in the region through its network of in-country partner charitable clinics. They aid the medical needs of some of the region’s most vulnerable communities who would otherwise have no access to treatment.

Medicine to Ukraine

In May 2022, Lundbeck also made an emergency product donation upon request from the Psychiatric Association of Ukraine in need of medical treatment for anxiety, severe depression, and psychosis for people distressed by the onset of the war.

The donated products were enough to treat at least 5,000 people.

Read more on Lundbeck’s contributions to local communities in the People & Communities section on [pages 24-27](#).

Status on sustainability targets

2022 TARGET	STATUS	COMMENT	SDG
Ensure all disease awareness sponsorships measurably support brain health in general, mental health and suicide prevention, or migraine	Achieved	All 12 corporate sponsorships increased awareness of brain health, including one specifically focused on suicide prevention.	
Donate treatment for at least 1,000 patients in product donation partnerships in Low-Middle Income Countries (LMICs)	Achieved	Donation via IHP for treatment of an estimated 4,196 patients in Lebanon, Gaza, and the West Bank.	

See the **Sustainability Statements** section of this report for Access to Health key performance indicators.

1) Mental Health and Suicide Prevention – Lundbeck’s Recommendations and Commitments



EXAMPLES OF HOW WE HELP SPREAD BRAIN HEALTH AWARENESS IN THE COUNTRIES WE OPERATE

SUPPORTING THE LOCAL MENTAL HEALTH COMMUNITY IN KOREA

To raise awareness for World Mental Health Day (WMHD) and support the local community, Lundbeck Korea launched the “Green World Campaign”. One hundred and thirty psychiatrists participated in the campaign, and Lundbeck donated 13,000,000 KRW to the Hanwool Mental Health Care Center in Seoul - one of the largest in Korea. The center engages in social adaption and rehabilitation projects for people with mental disabilities. In addition, the center focuses on research and spreading awareness about mental health and social welfare.



MENTAL RELIEF FOR FAMILIES IN POLAND

The Presja is a nationwide project in Poland which offers mental relief to people through psychoeducation and psychotherapy. With the monetary support of 10,000 PLN from Lundbeck GBS Krakow, a campaign was launched in 2022 to overcome the alarming statistics of youth and child depression. Parents and their children in Poland were provided with several tools as part of the campaign. These included a free guide, which has reached over 1,000 people; 40 consultation hours for parents; support groups with the participation of 29 parents; and two webinars watched by 2,900 people, including Lundbeck GBS Krakow employees. The Presja focused, among other topics, on how to talk to children about war and help them cope with the fear and anxiety caused by the breakout of war in Ukraine.

TACKLING YOUTH DEPRESSION IN CHINA

Lundbeck China and Dogo, which is the largest patient organization focusing on major depressive disorders in China, have collaborated to produce an online Youth Development Program. It is a platform for young people with depression and offers a safe place to get support. The platform reached over 200,000 views during the WMHD campaign in October 2022. To further raise awareness about mental health, an advocacy video and livestream with a patient were hosted. Dogo and Lundbeck China have developed a Teacher Training Program with a free toolkit to enable schools to implement mental health as part of the curricula. Finally, "From Depression to Recovery" – a handbook for patients – was published this year in collaboration with Dogo; it is a valuable asset helping patients and their families to better manage the disease.





“
Lundbeck’s leadership in brain health and commitment to supporting the patient advocacy community has been instrumental for the European Migraine & Headache Alliance, and for those living with headache disorders.

We cherish our partnership with Lundbeck and are looking forward to continuing our work together.



Elena Ruiz de la Torre

Executive Director, European Migraine & Headache Alliance

ABOUT THE PARTNERSHIP

The European Migraine & Headache Alliance (EMHA) is a non-profit umbrella organization including over 33 patient associations for migraine, cluster headache, and other headache disorders across Europe. The EMHA’s main objective is to advocate for the rights and needs of the estimated 138 million people in Europe living with headache disorders. Over the past several years, Lundbeck has been closely partnering with EMHA on various projects to

empower the voice of those living with headache disorders. These have included a campaign on migraine in the workplace, granting Lundbeck a “migraine friendly workplace” stamp; a global awareness campaign on the importance of brain health and its links with headache disorders; and four national parliamentary meetings led by EMHA to engage policymakers and raise awareness on the gaps in access to migraine care.



Business Ethics



At Lundbeck, we pursue our business purpose guided by the ethical principles in our Code of Conduct as a fundamental element of our sustainability strategy.

Business ethics is crucial to us as a pharmaceutical company. It is how we safeguard patient safety, uphold stakeholder integrity, and minimize the risk of financial repercussions.

17

17 Regional Compliance Officers present in our affiliates in the Global Compliance Organization, alongside the Headquarter compliance functions, are dedicated to providing business ethics guidance to their colleagues.



2030 ASPIRATION

- Promote business ethics, including human and labor rights through strengthened collaboration with key business partners
- Demonstrate that the Code of Conduct compliance program and organization work, i.e. that they sustain an ethical culture and prevent any form of corruption
- Protect the integrity of the healthcare professionals we work with and use transparency as an asset



Business Ethics

STRONG COMPLIANCE PROGRAM

We are a research-based biopharmaceutical company, and our products help thousands of people daily. Because of the sensitive nature of our business, society's expectations are high and constantly evolving.

Lundbeck's well-established Code of Conduct conveys our ethical commitments and the expectations we have to our employees for areas that are critical to the industry.

During 2022, we reinforced the Compliance Program, which is designed to ensure that we uphold our Code of Conduct. The Compliance Program sets actions in an improvement cycle, initiated by the annual management review conducted by our compliance committee. The review draws on multiple data points, e.g. external trends, new regulations, systematic risk interviews with key people, audits, investigations, and other monitoring activities. The process defines the top priorities for the coming year, which are endorsed by the compliance committee representing Executive Management and key compliance and legal functions in our headquarters.

The year also entailed increased resource spending on managing sanctions on Russia and strengthening our fraud management.

GLOBAL AND LOCAL COMING TOGETHER

Since 2021, our compliance organization led by Lundbeck's Chief Compliance Officer consists of headquarter functions and the 17 Regional Compliance Officers who serve our affiliates globally. The organization is truly global, representing multiple perspectives, capabilities, educational backgrounds, and cultures, which gives excellent conditions for providing solutions that are fit for global use.

In May 2022, we gathered the members of the Global Compliance Organization in person in Copenhagen for a two-day Compliance Summit.

In the opening address from CEO Deborah Dunsire to the Regional Compliance Officers, she emphasized that they are role models for colleagues, promote openness, listen, and help sustain our ethical culture, so that we can "act with respect and integrity in everything we do".

One outcome from the Summit was establishing a set of specific metrics to support and align global implementation of our Compliance Program across all our commercial business areas and corporate functions.

Another result was defining the overriding theme and topics for the global Code of Conduct e-learning that is assigned and completed by all employees annually.

MAKING ETHICS EVERYBODY'S BUSINESS

We invest heavily every year in developing training and awareness activities that can transform Code of Conduct principles into ethical actions.

The annual compliance training aims to empower our employees to make informed and responsible decisions. This year it also reiterated that Lundbeck as a company is built on our great people and culture. This was expressed in multiple video statements where colleagues shared their personal and professional perspectives on how Lundbeck's five beliefs: patient-driven, courageous, ambitious, passionate, and responsible, help them in doing the right thing.

Under the theme "Doing the right thing" and a set of fictitious cases, our employees practice the application of key principles in the Code of Conduct. All people managers were asked to lead local discussions on what "Doing the right thing" means to their teams.

The business ethics compliance training is supplemented by our audits and monitoring efforts that aim to validate the understanding of the requirements and capture suggestions for improvements of processes and controls.



98.6%

BUSINESS ETHICS COMPLIANCE

98.6% employees completed the annual e-learning on the Code of Conduct.



Specific feedback is provided to ensure local management ownership and follow-up.

We encourage everyone to have ongoing dialogue on compliance and ethics with their colleagues and manager. However, we realize that some questions, dilemmas, or concerns might not be discussed openly.

Our Compliance Hotline is a secure line that is open for everyone to raise concerns about a potential violation of the Code of Conduct. It is a cornerstone in our Compliance Program that helps protecting Lundbeck.

In the course of 2022, 78 compliance hotline reports were made and received. Compliance Hotline reports were aggregated by case prior to 2022, but with our new accounting policy, each report is now reported unaggregated. The aggregated number is 27 compared to 21 in 2021.

All reports are investigated in line with our global procedure that safeguards individuals who report concerns, participate in investigations, or are suspected of misconduct.

In 2022, our internal functions also conducted 129 due diligence screenings of third parties and suppliers to identify and mitigate 29 specific risks in relation to suppliers and third parties.

TARGETS FOR PERFORMANCE

We have set a target that the annual Code of Conduct training must be completed by all employees at work globally every year. We consider this target achieved in 2022 with a global completion rate of 98.6%.

Our second target for the year was to increase the share of employees stating in the annual Employee Satisfaction Survey (ESS) that “they are confident in raising an ethical or compliance concern”. We also consider this target achieved, as the share remains high and slightly increased from 86.7% in 2021 to 86.9% in 2022.

TRANSPARENT INTERACTIONS WITH HEALTHCARE PROFESSIONALS¹

We take pride in being committed to transparency by following our global procedures that respect applicable laws and self-regulation from the industry associations we have joined. One of those is the European Federation of

Pharmaceutical Industries Associations (EFPIA).

Under the EFPIA Code, we disclose the transfers of value we make to individual healthcare professionals, healthcare organizations, and patient organizations on a yearly basis. In countries subjected to disclosure requirements, Lundbeck made reasonable effort to obtain consent from the Healthcare Professionals or Healthcare Organizations to publicly disclose payments and other transfers of value. In comparison to year 2020 (reported in 2021), in 2021 (reported in 2022), the overall consent rate increased by an average of 5%.

In 2022, we updated our Guideline on Interactions with Healthcare Professionals, Healthcare Organizations, Patient Organizations, and Patients, and our Global Standard Operating Procedure for Transfers of Value to the same stakeholders. The purpose of the update is to make global requirements around transparent interactions more operational, including the rules on needs assessment and fair market value methodology. All affiliates must follow our global principles and minimum standards approach, even when local regulations are less restrictive.

DATA PRIVACY

Lundbeck is committed to safeguarding the data privacy rights of patients, research and business partners, and our employees.

In November this year, Data Protection Managers from HQ and EU/EEA affiliates

gathered in Copenhagen for a full-day of GDPR workshops, engagement, and knowledge-sharing. The main focus this year was on the continued, complex management of all International Data Transfers by performing Transfer Impact Assessments (TIAs).

SAFE AND EFFICACIOUS PRODUCTS

Patients are always our main concern. A concern of the patients is to have access to safe medical products of high quality. The lack of available, safe medicine can also be a barrier for health.

Patient and product safety is paramount to Lundbeck. We take stringent measures to secure our supply chain and ensure that genuine Lundbeck medicines reach patients every time. As an example, in 2022, we conducted 216 patient and product safety audits through collaboration with partners and internally.

See the **Sustainability Statements** section of this report for Business Ethics key performance indicators.

Status on sustainability targets

2022 TARGET	STATUS	COMMENT	SDG
Annual Code of Conduct training completed by all employees at work globally	Achieved	Annual training launched in December. Achieved a 98.6% completion rate. We consider above 98% to be achieved.	
Increase the share of employees stating in the annual Employee Satisfaction Survey (ESS) that they are confident in raising an ethical or compliance concern	Achieved	Share remains high and slightly increased from 86.7% in 2021 to 86.9% in 2022.	

1) Any member of the medical, dental, pharmacy, or nursing professions or any other person, who in the course of his or her professional activities may recommend, prescribe, purchase, supply, administer, or otherwise influence the purchase or prescription of a medicinal product.



Climate Change & Circularity

Lundbeck has for many years demonstrated our commitment to circular economy principles and cutting emissions. This year, we present a new low-carbon transition plan to take us all the way to zero emissions.



Lundbeck was awarded an “A” score by the Climate Disclosure Project (CDP). Only 292 companies globally achieved this result in 2022.

This is the 8th consecutive year Lundbeck has achieved a CDP Leadership score.



2030 ASPIRATION

- Establish manufacturing processes based on circular economy principles to limit materials use, waste, and carbon emissions
- Expand application of circular economy principles to key partners
- Use detailed knowledge about active pharmaceutical ingredients to minimize environmental impact



2030 ASPIRATION

- Deliver on the “Business Ambition for 1.5°C” pledge
- Transition electricity supply to renewable sources
- Manage two-thirds of value chain carbon emissions equally as effectively as carbon emissions from operations
- Minimize key business partners’ carbon emissions reflected in relevant agreements





Climate Change & Circularity

COMMITTED TO CLIMATE ACTION

Climate change is undoubtedly one of the largest shared challenges faced by our planet. Lundbeck is committed to making the necessary reductions in emissions across the entire value chain to keep global warming to a maximum of 1.5°C.

In 2022, we updated our 15-year climate target in accordance with the new Science Based Targets initiative (SBTi) Net Zero Standard and submitted it in December.

SCOPE 1 & 2 EMISSIONS

Site power and heat together with our company cars make up our scope 1 & 2 emissions. Since 2006, we have cut more than 80% of the emissions from our sites. This means we must be very innovative to reach the new near-term target of 65% reduction in 2034 compared to 2019.

On January 1st 2022, the newly built solar park was connected to the Danish grid, supplying 100% renewable electricity to Lundbeck. The electricity provided by Better Energy through a power purchasing agreement covers all

consumed electricity at Lundbeck’s Danish sites. This is the main reason why our scope 1 & 2 emissions have already been reduced by 29% compared to our baseline year in 2019. We will in the coming years continue our efforts in converting to renewable electricity globally.

Overall, our scope 1 emissions decreased from 2021 to 2022 due to reductions in emissions from our fleet of company cars. New company car policies will be implemented at regular intervals to account for the fast pace of technological advances and regulation in this area.

We did however see an increase in scope 1 emissions from power and heat due to challenges relating to the very limited availability of certified bio-oil at an acceptable price point in 2022. We have resorted to using some non-certified bio-oil as well as gasoil. This is not a desired situation, as we have completed the conversion of our technology to use bio-oil. Looking ahead, we are exploring possibilities for converting our use of fossil-based gas at our production sites to electricity or renewable fuels like biogas.

EMISSIONS IN OUR VALUE CHAIN

Our biggest footprint outside of our fence – scope 3 emissions – stems from purchasing goods and services such as clinical trial management, marketing, raw materials and packaging, distribution, and business travel. This year we have improved our emissions estimation model and raised our near-term target to achieve a 40% reduction in 2034 compared to 2019. We have also increased our clinical trial management and other service-related purchasing as part of our business strategy, and estimated emissions are up 7% since 2019.

We are pleased to report a decrease in overall scope 3 emissions¹ of 3% compared to the baseline year of 2019. This is in part due to lower emissions from business travel, which are

up 170% compared to 2021, but are still 47% lower than those in 2019. We can also report a 22% reduction in emissions from up-stream transportation and distribution compared to 2019.

We work in collaboration with our suppliers and help them to reduce emissions and receive emissions data, improving the data quality to estimate our carbon footprint. To establish knowledge about our suppliers’ climate action, we have submitted a survey to our top 300+ suppliers in the first part of the year.

The information gathered in the survey was used to plan the roll out of a climate contract addendum to existing suppliers, asking them to commit to using renewable electricity and supply climate data to Lundbeck. All corporate

Status on sustainability targets

NEAR TERM 15-YEAR TARGETS	STATUS	COMMENT	SDG
Reduce scope 1 and 2 CO ₂ e emissions by 65% ² in 2034 compared to 2019	On track	Reduction of 29% compared to the baseline.	
Reduce a share of scope 3 CO ₂ e emissions by 40% ² in 2034 compared to 2019	On track	Reduction in estimated emissions of 3% compared to the baseline.	

1) Total emissions within target SBTi boundary.

2) Target increased in 2022 from previous target of 63% for scope 1 & 2 and 19% for scope 3 emissions. Baseline and target year unchanged.



procurement managers and employees have been trained in introducing the addendum according to the roll out plan. In addition, climate criteria are being included in the future selection of suppliers and new contracts. One of our largest groups of suppliers are Clinical Research Organizations (CROs) performing clinical trials on behalf of Lundbeck. Climate action is now introduced in the governance

charters that are discussed with the CROs annually.

NEW LOW CARBON TRANSITION PLAN

Lundbeck has a long-term ambition to reach net zero emissions as defined by SBTi, no later than 2050. In 2022, our climate strategy working groups have developed a transition plan that describes levers and milestones. Any residual GHG emissions that cannot be eliminated by

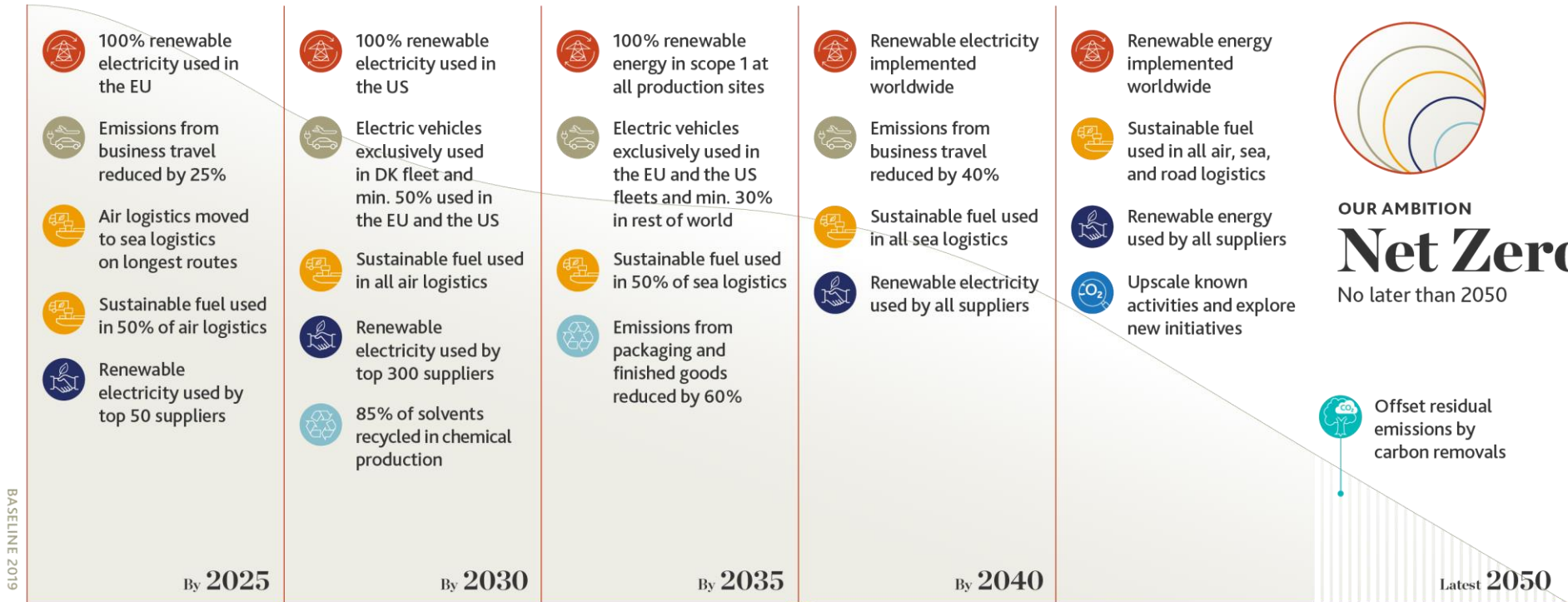
reducing emissions must be neutralized by carbon removals.

Based on the already known reduction possibilities, an estimate for residual emissions that must be neutralized by carbon removals is 20 to 30% of our total emissions (scope 1, 2, and 3). We do expect that technological advancement will make it possible to reduce this residual. We will continuously track the need for carbon removals, adjusting for evolution in

local emission factors and supplier specific emission data.

The transition plan was approved by Lundbeck’s Executive Management in November. The transition plan follows the guidance in the Carbon Disclosure Project (CDP), Taskforce on Climate-related Financial Disclosures (TCFD), and the new European Sustainability Reporting Standard (ESRS).

OUR TRANSITION PLAN TOWARDS NET ZERO



Near-term Net Zero target achieved

BUSINESS TRAVEL IS NOT BUSINESS AS USUAL

ENGAGING OUR EMPLOYEES

In 2021, Lundbeck's Executive Management approved a global travel policy, covering an area that had previously been managed locally.

To ensure internal compliance with this new policy, we are working with both strong governance in the Climate Steering Group, reduction targets cascaded out into the organization to all key managers and employees, and not least with employee engagement. Training and engagement with all employees continue to be pivotal to how we work with sustainability.

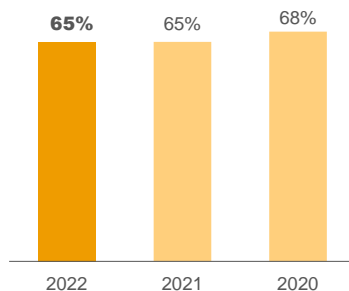
In 2022, the policy implementation was initiated with workshops for affiliate procurement managers on how to implement the policy.

We also ran a global campaign on how to "Reimagine business travel" to encourage employees to embrace new travel habits and implement the three steps - (re)think, (re)plan and (re)act. Lundbeck's internal communication channels were utilized to spread the word to all affiliates around the world. Articles, infographics and memes were posted as inspiration to take action, and the campaign elements had an internal reach of 10,000 views globally.

This was an important initial step for Lundbeck to reduce scope 3 emissions related to business travel, and thereby move towards our target of becoming a zero emission company.



Infographic from Lundbeck's employee engagement campaign on how to "Re-imagine business travel" in 2022.



Chemical recycling

65%

RECYCLING CHEMICALS IN PRODUCTION

We outperformed the target to recover and reuse 63% of the organic compounds used in chemical production. Targets are set annually based on expected production volume and mix.

CIRCULARITY IN RESOURCE FLOWS

Over the years, we have refined the skills and technical capabilities of our chemical production to increase recycling of organic compounds and reduce hazardous waste. As can be seen from the KPIs in our Sustainability Statements, Lundbeck’s finished goods and chemical production have increased in volumes by 5% and 18%, respectively, from 2020 to 2022. In the same period, we managed to reduce our raw material use by 15%.

We set targets each year to improve the recovery and recycling of chemicals used in our production. For 2022, we are proud to report that we achieved 65% recovery of the organic compounds used in chemical production. That means that we outperformed the target to recover 63%. This year, recovery of the palladium used in one of our major processes reached 75%, which is a record high. The recycling of palladium has a substantial impact on CO₂e reductions and limits the use of a rare earth metal.

We have applied green chemistry principles broadly for many years in Lundbeck, yielding several circular savings in our Active Pharmaceutical Ingredient (API) production, improving both yield and quality, and decreasing the use of reagents, catalysts, and solvents.

In 2022, we have managed to substitute dichloromethane with toluene in another two of our production processes. We are very pleased with this achievement, as dichloromethane is unwanted in both the environment and in our working conditions.

WASTE AND RECYCLING

We have been consistently recycling a substantial amount of our general waste over the past several years. In 2022, we began benefiting from our 25 million DKK rebuilding of the packaging plant airlock at the Valby site in Denmark, allowing for more efficient waste sorting of packaging materials and increasing the recycling of cardboard from production by 10 tonnes in this initial year.

We also conduct audits of our production and packaging sites to reduce waste. This year, this led to us starting in April 2022 to recycle plastic trays for one of our main products in pharmaceutical production in Valbonne, which is estimated to recirculate more than 5 tonnes of plastic.

Despite our good waste initiatives, we have unfortunately not reached our recycling target for general waste in 2022 of 70% recycling. We achieved 66% recycling.

At our site in Valbonne, leaflets and cartons were mistakenly sent to incineration instead of recycling. Our site in Valby has undergone renovation of the employee canteen for over six months, which has resulted in increased use of

disposable packaging and a lack of sorting of food waste at the temporarily established street kitchen.

We have several new initiatives ready for 2023, including expanded office waste sorting and increased sorting of plastic drums and laboratory glass. We remain committed to increase general waste recycling in 2023 with a recycling target of 73%.

WATER MANAGEMENT

We work continuously to reduce our wastewater and have significantly done so over many years with technological improvements and various optimization activities at our production sites.

In 2022, an in-depth water assessment and flow identification were conducted at all our production sites. A number of gaps related to metering have been identified, and actions are planned to rectify this within one year. A working group across all sites has been formed and in 2023, Lundbeck will develop a new strategy for water usage including targets and action plans.

ENVIRONMENTAL MANAGEMENT

In 2022, we had our health, safety, and environmental management system re-certified

Status on sustainability targets

2022 TARGET	STATUS	COMMENT	SDG
Recycle 63% of the organic compounds used in chemical production	Achieved	We have recovered and recycled 65% of organic compounds used in chemical production.	
Recycle at least 70% of all general waste	Not achieved	We have recycled 66% of general waste.	



with very good results. Few deviations were given (6), and all were corrected prior to receiving the new certificates. Information about deviations has been shared across sites to prevent similar situations at the other sites.

For 2022, we are pleased to report that we did not have any incidents with an impact on the environment that we had to report on in

accordance with the terms of our environmental permits.

We had one environmental incident without an impact on the environment and a decrease in near misses to 37 compared to 42 in 2021. We take every incident very seriously, and thorough root cause analysis has been carried out in each case to learn and prevent repetition.

SOIL POLLUTION

In 2022, a study revealed that nearly 15,000 sites in Denmark might be contaminated with per- and polyfluoroalkyl substances (PFASs). Only eight percent thereof have so far been systematically investigated.

PFASs are synthetic chemicals used for production in many industrial applications

worldwide. The use of PFASs is being gradually reduced due to increased evidence and awareness of its harmful effects on human health and the environment. PFASs consist of several derivatives, where some are globally regulated – one of them being PFOS, which has been widely used in fire extinguishing foam, among other things, until banned.

Lundbeck's Lumsås site used fire extinguishing foam containing PFOS until 2011 when we switched to a supply of alternative fire extinguishing foam in compliance with regulation.

Ten years later, the Danish Environmental Protection Agency (EPA) asked Danish companies to investigate any remaining traces of PFOS. Lundbeck's investigations found traces of PFAS derivatives in the soil at the facility in 2022. Further testing led by the Municipality found PFOS in adjacent fields.

Lundbeck continues to collaborate fully and openly with the authorities on this matter, as well as engage with neighbors and the municipality to address concerns in the local community.

See the [Sustainability Statements](#) section of this report for Climate and Energy, Circularity and Environmental management, and key performance indicators.



[Image text]



People & Communities



Everywhere we operate, we strive to make a positive contribution to the people & communities we touch. This means safeguarding and developing our employees, taking action on gender equality and unconscious bias, and contributing to the communities where we do business.

5,400

Our 5,400 employees are our most important and critical resource.¹



2030 ASPIRATION

- Be recognized by employees and externally as a workplace with an inclusive culture that offers equal opportunities for all
- Influence the public debate on equality and inclusion by setting ambitious targets, enhancing data transparency, and communicating actively
- Request key business partners to promote diversity and prevent discrimination in all its forms



2030 ASPIRATION

- Be recognized as a workplace that fosters physical and mental wellbeing
- Show leadership to promote mental health with preventive actions at our workplaces globally
- Achieve a lost time accident frequency below 3

1) Rounded from average 2022 number 5,399 employees.



People & Communities

BUILDING AN INCLUSIVE ORGANIZATION

At Lundbeck, we are committed to building an even more inclusive organization. We firmly believe that by fostering an inclusive work environment that integrates and empowers people of different backgrounds, skills, and perspectives, we ignite innovation and catalyze an even better performance across the company.

We believe that if we build an inclusive organization, diversity will follow. Diversity is an asset for both business and employees in its capacity to foster innovation, creativity, and empathy in ways that homogeneous environments seldom do. Lundbeck wishes to demonstrate leadership when it comes to inclusion and understanding of neurodiversity.

D&I MILESTONES

We launched our first 2-year D&I plan in January 2020 with the overall ambition of building an even more inclusive organization. Our focus has continuously been to create awareness on diversity and inclusion, and set up inclusive structures and processes.

We launched two e-learning programs mandatory to all employees – one on unconscious bias and one on cultural

awareness – additionally, we presented our commitment to be a neurodiverse workplace.

We have succeeded in implementing all initiatives in the plan, and based on this, we will therefore continue the work in 2023. One initiative was the unconscious bias training outlined earlier, and throughout the year we have worked through our processes and focused on hiring with gender balance in mind.

A new 2-year D&I plan will be kicked off in January 2023 and will have an overall goal of progressing further on diversity and inclusion in Lundbeck.

UNCONSCIOUS BIAS AND CULTURAL AWARENESS

In the first half of the year, we ran an e-learning on unconscious bias for all employees in 50+ countries intended to create awareness of what unconscious bias is, what to be aware of, and how to act and reflect on our biases including gender bias. The objective of the course was for all employees to become better at addressing their biases and in that way, help build an even more inclusive workplace.

In the second half of 2022, all employees received training in cultural awareness. The training gave employees insights into cultural

differences across different countries. By acknowledging our diverse cultural backgrounds, we can create a language around our differences that can help us better understand each other and enhance collaboration.

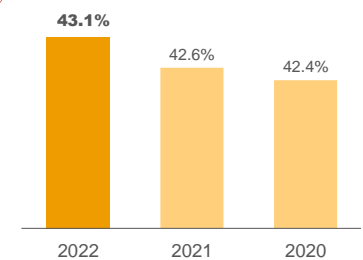
SUPPORTING A NEURODIVERSE WORKPLACE

As a leader in brain health, we are committed not only to raising awareness and improving conditions for people living with brain diseases across the world, but also to promoting an inclusive workplace and culture for our own employees living with a neurodiverse condition, so they feel supported and can thrive at Lundbeck.

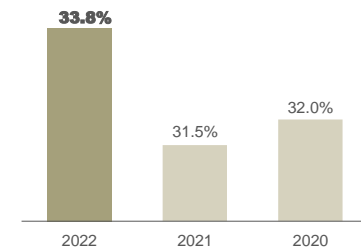
In 2022, we launched our **neurodiverse workplace commitment**, which includes guidelines that cover how Lundbeck will foster the best possible work conditions for employees who have variations in their cognitive profile.

A neurodivergent person is someone whose neurological development and state are different from what is considered typical. This also includes those who live with a neurological, psychiatric, or neurodevelopmental disorder, whether diagnosed or not. This includes employees living with migraine, depression,

All people managers



Senior managers



GENDER BALANCE

From 2021 to 2022, we have increased the share of women among all people managers as well as in our Senior Management.



anxiety, ADHD or those on the autism spectrum, to name a few.

GENDER EQUALITY

For some years, we have measured the gender distribution in managerial positions. We have a long-established aim to maintain an overall equal gender split for all people managers globally.

To ensure progress on balanced gender representation and on other diversity dimensions, we have in 2022 continued to review and strengthen our policies, processes, and programs. In our recruitment processes we have built structured approaches to mitigate biases and ensure diversity in talent joining Lundbeck. In our organizational review processes, succession planning, leadership programs and more we have continued to monitor and promote diversity in our talent pool and for promotions. In 2022, the proportion of female managers was 43.1% and the gender split for all employees was 53.7/46.4% female/male.

For 2022, we set a target to increase the share of the underrepresented gender at the senior management level, including EVPs, SVPs, and VPs. We have increased the share from 31.5% as of end 2021 to 33.8% at end 2022 and have thus achieved this year's goal. For 2023, we have set a target to increase the share of the underrepresented gender at the senior management level year on year.

Lundbeck's Board of Directors and Executive Management have set targets for a balanced gender representation for board members elected by the shareholders as well as for Upper Management defined as Executive Management and their direct reports with people management responsibilities. The target is to maintain balanced gender representation in accordance with Danish legislation. In 2022, there were two female board members out of seven members elected by the shareholders. Two out of four board members elected by Lundbeck's employees were female. In 2022, there were 21 female members out of 50 in Upper Management.

Status on sustainability targets




2022 TARGET	STATUS	COMMENT	SDG
Build an even more inclusive organization with a specific 2022 initiative focusing on cultural awareness across the organization	Achieved	Global e-learning on cultural awareness launched in October mandatory for all employees. New D&I 2-year plan 2023-2025 in place.	 
Increase in share of underrepresented gender at senior management level	Achieved	We have increased from 32% end 2021 to 34% end 2022 and thus achieved this year's goal.	



Image from one of the videos on "Office Ergonomics" that Lundbeck developed and launched globally in 2022.

ACCIDENT PREVENTION

Lundbeck has seen a slight decrease in work-related accidents with absence amounting to 21 this year, compared to 24 last year. We were, however, not successful in reaching our 2022 target of a frequency of lost time accident rate below 5, with a rate for the full year of 5.8.

Three of the 21 accidents are categorized as high consequence, which is 50% lower than 2021. Our target for 2022 was to have no more than four such accidents. Each accident has been root cause analyzed, and the preventive actions mandated by our HSE Council have been implemented.

Based on analyses of previous years' accidents, we have identified trends of accidents related to ergonomics (e.g. lift, over-exertion) as well as injuries from trips, slips, and falls. Plans for preventive actions have been set up and executed at the local sites.

At our Valby site in Denmark, we eliminated heavy lifting and conducted training in one of our production areas, with the outcome that we have not had any accidents related to ergonomics in 2022. The previous year we had three high consequence accidents related to

ergonomics. Unfortunately, we have seen an increase in ergonomics-related accidents at our site in Lumsås this year (six accidents with absence). A revised accident prevention plan will be implemented in 2023, including local training in correct lifting and safety culture.

At our Valbonne site in France, mapping of risks and reinforcing a safety conscious culture in sterile production has led to a reduction in accidents from eight in 2021 to three accidents in 2022.

SYSTEM SUPPORTING WIDER SCOPE

A new cloud-based health and safety management system has been implemented in 2022, making it easier to report accidents, near misses, and dangerous observations. It also allows for timely and targeted preventive actions that can be followed closely on automated dashboards.

In 2023, the system will be used to roll out the accident data collection to all our sales affiliates. Until now, Lundbeck's sales affiliates (approximately 3000 employees) have not been in the scope for global reporting. In 2022, we did a successful pilot on the data collection, and the frequency including sales affiliates was

estimated to be 2.9 per one million working hours (27 accidents with absence).

HEALTH & WELLBEING

To prevent aches, pains, and work-related diseases among administrative employees, we globally launched videos on "Office Ergonomics" in 2022. The videos provided guidance on how to set up the workplace in the office and at home in an appropriate ergonomic way. Inspiration for how to vary working posture and do exercises during the day was also presented in the videos.

In 2022, we successfully conducted stress management courses for both employees and managers in Denmark. Based on a positive evaluation, we will continue with similar initiatives in 2023.

MIGRAINE FRIENDLY WORKPLACE

A concrete example of how we work to ensure good working conditions for our neurodiverse employees is our focus this year on people living with migraine.

Lundbeck received its stamp for being a **migraine friendly workplace** in 2022. The European Migraine and Headache Alliance awarded Lundbeck with the stamp because of existing initiatives and our commitment for neurodivergent employees and migraine guidelines for managers.

The goal of the stamp is to recognize companies as "friendly" migraine work environments committed to migraine disease and employee wellbeing by creating awareness and understanding of migraine.

See the **Sustainability Statements** section of this report for People key performance indicators.

PART OF LOCAL COMMUNITIES

Everywhere we operate, we strive to make a positive contribution to the people and communities we engage with.

We condemn the war in Ukraine and Russia's invasion of a free and democratic nation, and we stand united with the people of Ukraine.

Our main priority has been and will continue to be to take care of our colleagues and patients that are innocent people in the midst of war, both in Ukraine and Russia. We hope for a peaceful end to this war soon.

Early in 2022, we donated 10 million DKK (approximately 1,500,000 USD) to the Danish Red Cross to support emergency relief efforts. Further, we have explored different ways to donate essential medicines to the people who rely on them.

This is just one example of how Lundbeck is an integral part of the communities in the more than 50 countries in which we operate.

Status on sustainability targets

2022 TARGET	STATUS	COMMENT	SDG
Reduce lost time accident frequency ≤ 5	Not achieved	We were not successful in reaching a target rate below 5, with a rate for the full year of 5.8.	
Not more than four high consequence work-related accidents with absence	Achieved	Three of 21 accidents have been categorized as high consequence	



PAYING OUR TAXES

Through direct and indirect tax payments, businesses are an important source of revenue for governments and municipalities. Without them, sustainable communities cannot be built.

Lundbeck considers a fair tax policy and a robust management of this policy as part of our sustainability commitment. It is our policy that we pay tax where we make our profit and to offer transparency to stakeholders through reporting.

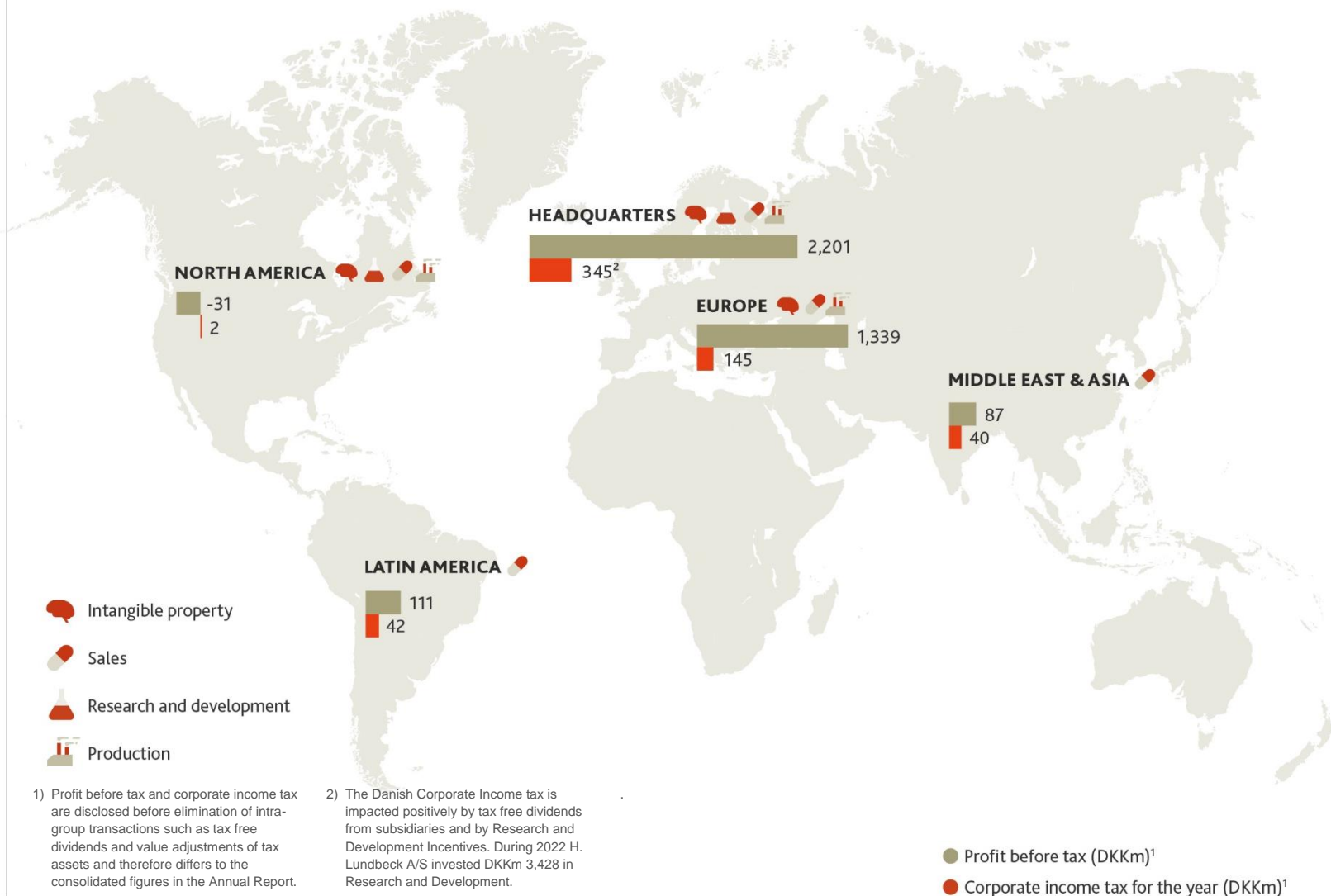
Lundbeck's tax policy is reviewed and approved by our Board of Directors annually. In the policy, we disclose country-by-country level tax for countries classified as tax havens by the IMF and EU.

Complying with tax rules can be complex, as the interpretation of legislation and case law may not always be clear and may change over time. We aim to always comply with the letter of the law as well as with the legislators' intention with the law, while managing a competitive effective tax rate.

For instance, we pay close attention to transfer pricing requirements and focus on pricing the value of these intercompany transactions on an arm's length basis, according to best practice guidelines issued by the OECD. The guidelines ensure that profits are taxed in the country where the economic activities generating the profits are performed and where the value is created.

2022 CORPORATE TAX PER REGION

2022 corporate tax amounts to DKKm 574¹ of that, our ten largest markets account for DKKm 418 (73%) and the rest of the world accounts for DKKm 156 (27%)





Sustainability Statements

In this statement, you can find detailed disclosures on sustainability at Lundbeck.

We continuously update our management of our impacts following the established guidance and principles on environmental and social due diligence. We revise governance, policies, and procedures; set ambitious targets; report on progress; and disclose a set of externally assured performance indicators.

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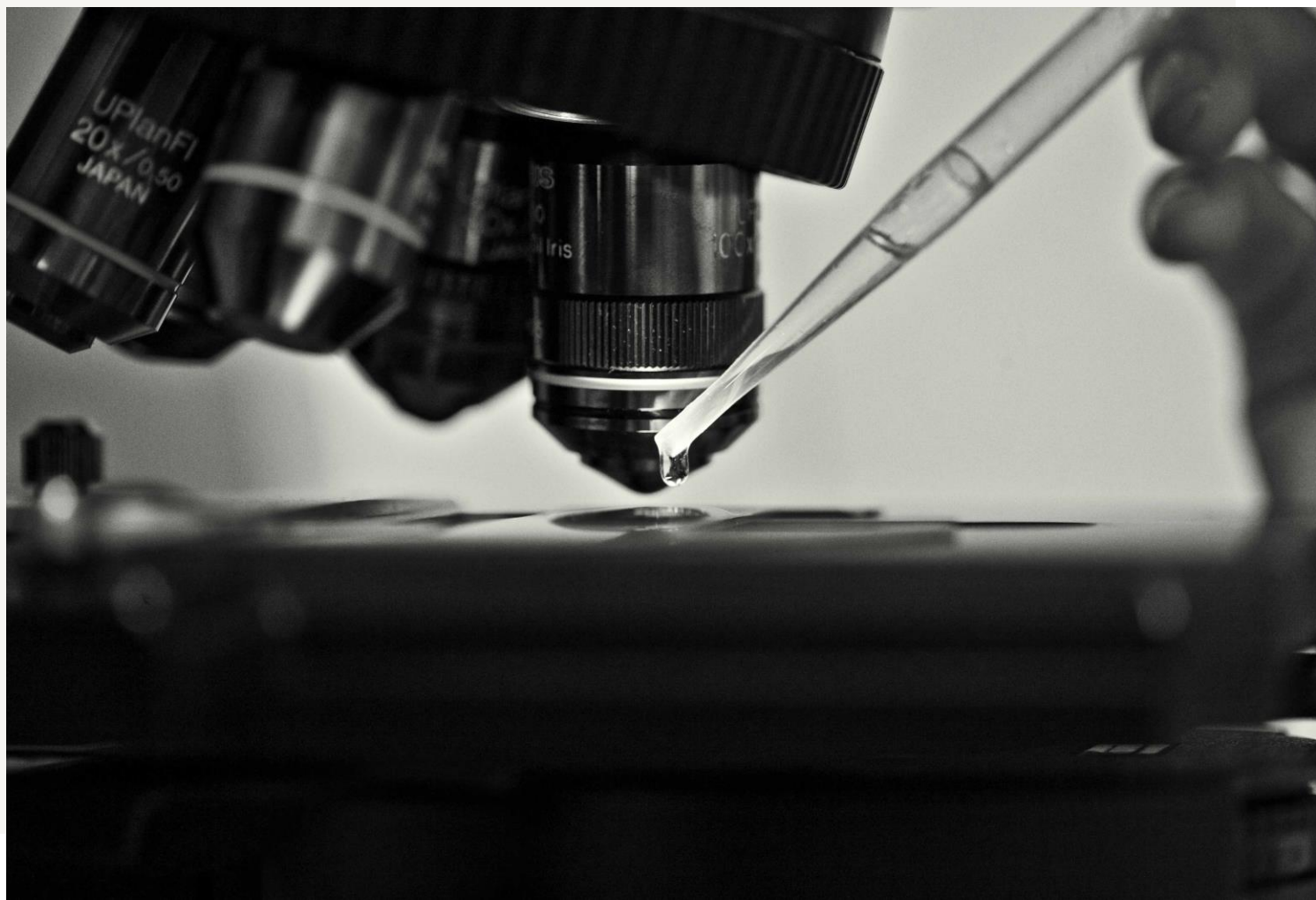
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General Disclosures

LUNDBECK IN BRIEF

Lundbeck is a global pharmaceutical company with its head office in Denmark, doing business in more than 50 countries, with research facilities in Denmark and the U.S., and a vertical production set-up in Denmark (two sites), Italy (one site), and France (one site).

SUSTAINABILITY GOVERNANCE AND MANAGEMENT

Sustainability on a corporate level is managed by Corporate Compliance & Sustainability, and on a topical level by relevant functions and subject matter experts. The Executive Management Group is the steering group for the sustainability strategy, and a share of their short-term incentive program is linked to performance on targets related to the sustainability strategy, described in our Remuneration Report.

SUSTAINABILITY STRATEGY

Lundbeck's sustainability activities aim to mitigate material risks and adverse impacts related to our business activities and to contribute to solving societal challenges where we can. We remain committed to the UN Global Compact Principles (Lundbeck became a signatory in 2009) and contribute to addressing seven of the UN Sustainable Development Goals.

MATERIAL ISSUES AND STAKEHOLDERS

With growing interest in ESG in the financial sector, investors and financial institutions are important stakeholders for us. However, equally important to our ESG and sustainability work are stakeholder groups such as employees, civil society organizations, healthcare professionals, healthcare organizations, patient organizations, communities, suppliers, and third parties. Listening and responding to our priority stakeholders is a core part of our materiality assessment. See our material issues on page 7.

Lundbeck has joined **The Biopharma Sustainability Roundtable**, a sector-specific platform designed to connect and support senior biotech and pharma executives in driving their Biopharma sustainability agendas forward. The Roundtable also conducts focused investor dialogue where Roundtable participants discuss sustainability strategy and ESG performance disclosure directly with capital markets representatives.

RISK MANAGEMENT

Lundbeck has several processes in place to ensure that corporate risks are assessed, reviewed, and mitigated. Sustainability, business ethics, and compliance are a part of Lundbeck's Enterprise Risk Management framework described in the Annual Report. These topics and the related risks are reported regularly to the Audit Committee and Board of Directors.

Every year, Lundbeck's Compliance Committee reviews and approves the Code of Conduct Risk Register covering approx. 25 individual risk titles. The review is based on interviews with internal compliance specialists across our global organization and various documented sources, including reported external trends, new regulations, internal audit findings, and Compliance Hotline reports.

The outcome of the annual Risk Register review is a list of mitigating actions that are endorsed by the Compliance Committee to continuously improve the Code of Conduct Compliance Program.

FOUNDATION OWNERSHIP

The **Lundbeck Foundation** is Lundbeck's largest shareholder. It is a separate entity and holds approximately 80% of the A-shares and approximately 66% of the B-shares. The total share capital held by the Foundation is approximately 69% and the total voting rights held by the Foundation in Lundbeck is approximately 76%. The Foundation's focus is on strengthening brain health and neuroscience through a series of research grants and collaborative research models. They award The Brain Prize yearly: it is the world's largest brain research prize (approx. 1.3 million EUR) to one or more brain researchers who have had a ground-breaking impact on brain research.

SUSTAINABILITY-LINKED FINANCING

In 2022, Lundbeck signed a credit agreement concerning an existing 1.5 billion EUR revolving credit facility (RCF) to incorporate sustainability-linked targets.¹ The interest rate on the RCF is linked to Lundbeck meeting three sustainability KPIs, which will be externally assessed on an annual basis by an independent third party. The KPIs in the facility relate to greenhouse gas emissions, renewable electricity, and access to brain health in low- and middle-income countries. Lundbeck will direct realized interest savings towards new sustainability-related initiatives focused on increasing access to brain health between 2022 and 2025.

1) BNP Paribas acted as sole sustainability coordinator. The structuring of the loan aligns with the guidelines set out by the Sustainability Linked Loan Principles, published by the Loan Market Association.



Environment

ENVIRONMENTAL POLICIES AND PERFORMANCE

Lundbeck is committed to protecting the environment and believes that a healthy environment is a precondition for good health and wellbeing. Our environmental work is governed by the sustainability strategy, our **Code of Conduct**; our **Health, Safety, and Environment Policy**; and our **Health, Safety, and Environment Strategy**. In 2022, the HSE policy was updated to explicitly include our commitment to prevent work-related diseases and accidents and our commitment to consult and ensure participation of employees in the HSE work to reflect stakeholder expectations, new legislation, and to better reflect our most material HSE aspects. Regular updates reflect our commitment to always promote a high level of chemical safety by substituting hazardous chemicals and apply contained processes as well as circular economy principles.

Lundbeck has several positions in relation to the environment. Read about our **Position on Environmental Footprint**, **Position on Climate Change**, **Position on Water**, and **Position on Biodiversity** on Lundbeck.com.

ENVIRONMENTAL MANAGEMENT AND POLLUTION PREVENTION

We have had a long-standing history of strong environmental management since the 1980s. We set our first CO₂ target in 2006 and made our first CDP disclosure in 2007. Lundbeck's corporate headquarters and our larger research, development, and manufacturing facilities are today certified to the **ISO 14001 and 45001** standards.

BIODIVERSITY

Lundbeck does not operate in areas of high biodiversity value, nor do we source scarce natural resources for our production. However, Lundbeck takes biodiversity seriously and we always strive to reduce our environmental impact at our sites and in our value chain in line with **Lundbeck's Position on Biodiversity**.

PHARMACEUTICAL RESIDUES

We acknowledge stakeholder concerns about pharmaceutical residues in the environment. We test the environmental effects of new medicinal products and design processes with the least possible environmental impact.

We pursue approaches that balance healthcare needs and environmental considerations in line with the **EFPIA's Eco-Pharmaco-Stewardship Initiative** to minimize pharmaceuticals in the environment.

Environmental management	Unit	Scope	2022	2021	2020
Environmental incidents	No.	a.	1	7	7
Environmental incidents with impact on the environment	No.	a.	0	0	2
Environmental near miss	No.	a.	37	42	34

Sustainability accounting policies - definitions

Environmental incidents

An environmental incident is an unintended release to the environment.

Environmental incidents with impact on the environment

Incidents with an impact on the environment and due for external reporting, are evaluated based on an internal risk assessment/scoring methodology of quantity, dispersion, and effect.

Environmental near miss

An environmental near miss is a contained spill which did not release to the environment. The near miss could potentially have escalated to an environmental incident.

CIRCULARITY, RESOURCE FLOWS, AND RECYCLING

Developing most of our own manufacturing processes gives us the opportunity to minimize material use, substitute unwanted substances, and increase recycling. We expect our suppliers to deliver materials and handle waste sustainably. See the **Climate change & circularity** chapter of this report.

Circularity - Resource flows	Unit	Scope	2022	2021	2020
Revenue	DKKkm	a.	18.246	16.299	17.672
Finished goods production	Million Units	a.	3.711	3.775	3.551
Chemical production	Tonne	a.	435	417	369
Raw materials	Tonne	a.	3.279	3.723	3.874
Organic compounds	Tonne	a.	3.221	3.663	3.793
API	Tonne	a.	58	54	72
Waste (total - chemical and general waste)¹	Tonne	a.	16.027	16.518	15.025
Chemical waste (total)¹	Tonne	a.	14.696	15.202	13.577
Recycling of chemical waste	Tonne	a.	734	1.095	1.256
Incineration of chemical waste ¹	Tonne	a.	6.200	6.938	6.507
Biological treatment of chemical waste ¹	Tonne	a.	7.762	7.169	5.815
Landfill of chemical waste	Tonne	a.	0	0	0
General waste (total)¹	Tonne	a.	1.332	1.317	1.448
Recycling of general waste ¹	Tonne	a.	877	992	985
Incineration of general waste ¹	Tonne	a.	449	319	459
Landfill of general waste ¹	Tonne	a.	7	6	4
Recycling rate - Organic compounds	%	a.	65	65	68
Recycling rate - General waste¹	%	a.	66	75	68
Water consumption	m³	a.	219.159	223.339	236.810
Potable water	m ³	a.	161.924	174.711	181.093
Unfiltered water	m ³	a.	57.235	48.628	55.717
Waste water²	m³	a.	180.725	186.586	201.937

1) Data from 2021 has been updated due to change in classification of waste

2) 2022 data partly based on estimates

Sustainability accounting policies - definitions

Revenue	See Annual Report 2022 – Accounting Policy.
Finished goods production	Production units (e.g. one tablet or one ampoule) based on SAP data.
Chemical production	Chemical production of Active Pharmaceutical Ingredients (API) and intermediate products.
Raw materials	Raw materials consist of the consumption of: Organic compounds (chemical compounds used in R&D and production) and Active Pharmaceutical Ingredients (API) (used for pharmaceutical production). Cleaning agents was part of the totals in 2020 and 2021 data. These were excluded in the scope in 2022 and going forward.
Waste	Waste is measured as the sum of all the waste disposed from Lundbeck's four production sites. Waste is divided into "Chemical waste" and "General waste" and subdivided into Recycling, Incineration, Biological treatment, and Landfill. Incinerated waste water from chemical production processes is treated as waste and therefore reported as waste and not waste water.
Recycling rate - Organic compounds	Organic compounds which are recovered and reused or recycled. Estimated relative to tonnes of total organic compounds used at both our chemical sites (Lumsås (DK) and Padova (I)). Organic compounds are reused on site in Lumsås (DK) and recycled externally at a third party in Padova (I).
Recycling rate - General waste	Share of the total general waste reused or recycled based on the information from the receiver.
Water consumption	Water consumption consists of: groundwater (unfiltered water) and water from waterworks (potable water). Data cover Lundbeck's four production sites. Includes: water withdrawal for process use (boilers etc.), water withdrawal converted to steam or hot water, and water withdrawal for use in production, labs, offices and other buildings. Measured based on meter readings or invoices from suppliers.
Waste water	Waste water discharge includes potable water and discharged groundwater/unfiltered water. Waste water includes all planned and unplanned discharges of water from Lundbeck's four production sites. Recorded based on meter readings or water consumption.

CLIMATE AND ENERGY GOVERNANCE AND MANAGEMENT

Lundbeck's commitment to climate actions is governed by a Steering Committee chaired by the Executive Vice President, Product Development & Supply. Across the responsible functions in Lundbeck, we have appointed project managers to lead the change and, as of 2022 and going forward, climate targets will be integrated into the performance review of a growing number of employees and managers. See the **Climate change & circularity** chapter of this report for descriptions of the actions taken in 2022 and progress on targets.

Climate and Energy	Unit	Scope	2022	2021	2020
Greenhouse Gas Emission					
Scope 1 GHGs ¹⁾²⁾³⁾	Tonne CO _{2e}	b.	22.918	25.505	22.048
Scope 2 GHGs (location based) ⁴⁾	Tonne CO _{2e}	b.	15.525	15.808	14.861
Scope 2 GHGs (market based) ⁴⁾	Tonne CO _{2e}	b.	4.255	7.492	8.480
Scope 1&2 GHGs (market based) ³⁾⁴⁾	Tonne CO _{2e}	b.	27.173	32.997	30.528
Scope 3 GHGs: Purchased goods and services ⁵⁾	Tonne CO _{2e}	d.	87.260	92.632	89.050
Scope 3 GHGs: Up-stream transportation and distribution ⁵⁾	Tonne CO _{2e}	d.	8.207	8.897	11.376
Scope 3 GHGs: Business travel ⁵⁾	Tonne CO _{2e}	d.	7.153	2.651	3.031
VOCs emitted to air	Tonne	b.	9	24	39
Energy consumption³⁾	MWh	b.	104.004	108.162	101.163
Natural gas, methane, city gas, F-gas	MWh	b.	32.191	36.521	33.960
Gasoil, biooil, diesel, solvents	MWh	b.	14.176	13.018	12.882
District heating ⁴⁾	MWh	b.	13.722	15.269	12.770
Electricity	MWh	b.	43.913	43.353	41.551
Renewable electricity share⁵⁾	%	b.	66	54	53

1) Scope 1 also includes company cars, which are covered by scope c rather than scope b

2) 2020 data changed due to corrections of biooil use

3) 2021 and 2020 data updated due to change in emission factor

4) 2021 data updated due to correction in district heating

5) 2020 and 2021 data updated due to change to Science Based Targets

6) New KPI added to reporting in 2022 - changed from 'Renewable energy share'

Sustainability accounting policies - definitions

Greenhouse Gas Emission

Amount of calculated greenhouse gas (GHG) emitted to air, reported in CO_{2e}.

Scope 1 GHGs

Direct scope 1 emissions include greenhouse gas emissions (GHG) that occur related to and including consumption of gas, oil, and refrigerants used in production (e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles).

All consumed energy is monitored by building-specific meter readings or invoices. The quantity of consumed energy sources is multiplied by relevant emission factors provided by the UK Department for Environment, Food & Rural Affairs (DEFRA).

Emissions data from Lundbeck's owned or controlled vehicle fleet are provided directly by the associated leasing company or calculated based on consumed fuel multiplied with relevant emission factors. Primary data from an estimated 57% of the company cars are retrieved and used to extrapolate emissions from Lundbeck's full fleet activity.

Scope 2 GHGs (location based)

Scope 2 emissions includes all indirect emissions related to the generation of acquired and consumed electricity and district heating. All consumed energy is monitored by building-specific meter readings and invoices if meter readings are not available.

The emissions are reported as location-based and are derived from consumed energy multiplied with relevant location-based emission factors provided by DEFRA.

Scope 2 GHGs (market based)

Includes all indirect emissions related to the generation of acquired and consumed electricity and district heating.

All consumed energy is monitored by building-specific meter readings or invoices.

The emissions are reported primarily as market-based emissions, where consumed scope 2 energy is multiplied with market-specific emission factors provided directly from the energy supplier. Where market-specific emissions are not available, the best available location-based emission factors provided by DEFRA are used for the reporting in line with the GHG protocol hierarchy.

Scope 1 & 2 GHGs (market based)

Combines the calculated scope 1 and scope 2 emissions using the reported market-based scope 2 emissions.



Sustainability accounting policies - definitions (continued)

Scope 3 GHGs

Scope 3 includes and accounts for other indirect emissions in Lundbeck's value-chain, which are not accounted for elsewhere.

The reported scope 3 emissions are limited to include three GHG-protocol categories: 'Purchased goods and services', 'Upstream transportation and distribution', and 'Business travel'. The reported scope 3 emissions cover our scope SBTi target boundary.

Scope 3 GHGs: Purchased goods and services

Emissions related to purchased products are estimated based on acquired quantities multiplied with appropriate emissions factors supplied by the Ecoinvent database.

Emissions related to purchased services are based on financial spend in USD multiplied with relevant spend-based emission factors supplied by the USEEIO database. Approximately 12% of the emissions in this category are excluded, as they are not included in our SBTi target boundary. The excluded emissions include tax and authority service.

App. 12.3% of data in this category is based on suppliers' emission data reported directly to Lundbeck or based on the suppliers' reported emissions in their CDP disclosure or Sustainability Reports.

Scope 3 GHGs: Up-stream transportation and distribution

Includes emissions from all purchased (non-owned) transport and distribution services. This includes inbound logistics (from Tier 1 suppliers), transport between Lundbeck sites in Valby and Lumsås (DK), and outbound logistics. A selection of Lundbeck's key logistic suppliers provides specific emissions data for their activities related to Lundbeck. Where this is not available, emissions are calculated based on financial spend in USD multiplied with relevant spend-based emission factors supplied by the EEIO database. This is primarily for locally procured logistics services.

All emissions related to the category are converted and calculated as well-to-wheel greenhouse gas emissions.

Scope 3 GHGs: Business travel

Includes emissions from the transportation of employees across the whole group for business-related activities owned or operated by third parties. This includes emissions that are caused due to employees traveling by air, road, rail, and sea as well as emissions associated with hotel stays. The emissions from business travel-related activities are calculated based on transported distance and number of stays at hotels, multiplied with relevant emissions factors provided by DEFRA.

Flight-related emissions are provided by associated travel agencies, covering 80% of total activity. The last 20% has been extrapolated.

Sustainability accounting policies - definitions (continued)

VOCs emitted to air

Volatile Organic Compounds (VOCs) emitted to air. An insignificant share of the VOCs from Lundbeck's production has global warming potential (according to IPCC) and the VOCs are therefore not reported as part of our scope 1 GHG emissions.

Energy consumption

Consumed energy is monitored by building-specific meter readings or invoices if meter readings are not available.

Renewable electricity share

Share of renewable electricity purchased through either selected supplier or shares of renewable electricity in country-specific grids. The share of renewable electricity is reported as the mean of consumed renewable electricity.



REPORTING ACCORDING TO CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Lundbeck supports the TCFD recommendations and believes they provide a useful framework to increase transparency on climate-related risks and opportunities within financial markets.

The CEO has the overall responsibility of the sustainability strategy and presents major decisions to the Board when relevant. Risks including related mitigating actions and opportunities are assessed regularly by the Executive Management and reviewed together with the Board of Directors.

Our climate-related risks and opportunities all have low impact, except physical risks of exposure to extreme weather events that can affect our sites, partners, and suppliers, and conversely the opportunity to maintain resilient production.

Risk and opportunities are impacting our business by leading us to become highly energy efficient, increase our use of renewable energy, and engage with suppliers to mitigate future physical and transitional changes.

We prepare scenario analysis using climate modeling scenarios predicting temperature increases. As part of our CSRD Readiness work in 2023, our process for this analysis will be evaluated with a view to strengthen cross-functional involvement.

As part of our support for the TCFD recommendations, Lundbeck comprehensively reports on governance, strategy, business opportunities, and risks related to climate change through the Carbon Disclosure Project (CDP). You can find our latest full [CDP disclosure](#) on Lundbeck.com.

REPORTING ACCORDING TO THE EU TAXONOMY (NOT PART OF PWC'S LIMITED ASSURANCE)

Lundbeck is required to disclose information related to the EU Taxonomy, more specifically The Climate Delegated Act entered into application on 1 January 2022 and the Complementary Delegated Act, as published in the Official Journal on 15 July 2022. The Complementary Delegated Act will enter into application on 1 January 2023.

Lundbeck has no taxonomy eligible or aligned turnover related to climate change and climate mitigation to report in 2022, as it is not part of our business model. We have reviewed our CAPEX and OPEX activities for 2022 aiming to identify eligible activities and determine the eligible amount for those items according to the Taxonomy requirements. We identified that OPEX is not centrally accounted, but rather recorded locally across the business. Further, CAPEX is tagged by general activity, and to assess compliance with eligible activities as required by the EU Taxonomy requirements, we assessed the list of projects that Lundbeck invested in 2022 to map eligible activities in accordance with the normative.

Based on this approach, we found three eligible activities: Construction of new buildings; Renovation of existing buildings; and Transport by motorbikes, passenger cars, and light commercial vehicles. We reviewed the activities currently published and found that the activity "Transport by motorbikes, passenger cars, and light commercial vehicles" is important to us from a sustainability perspective, as company cars are part of our GHG scope 1 emission target.

For all three activities, our review found that none of Lundbeck's CAPEX or OPEX live up to the substantial contribution criteria and are therefore not taxonomy aligned. When looking at the substantial contribution criteria for the activities, it was clear that the activities performed were non-compliant, which therefore meant it was unnecessary to move on to examine the Do No Significant Harm and Minimum Safeguard criteria, as we would not be claiming alignment. For our reporting period, we also do not have a focus on improving our alignment in our approved CAPEX plan, as there is a small percentage which is eligible according to the currently published activities. Similarly, as we are a pharmaceutical company, the majority of our OPEX is centered on R&D, which is currently not an eligible activity and therefore contributes to our low eligibility.

In conclusion, Lundbeck has no taxonomy-aligned turnover, CAPEX, or OPEX related to climate change and climate mitigation to report in 2022.

Sustainability accounting policies - definitions

Turnover denominator

The share of turnover generated from taxonomy-eligible economic activities is divided by net sales. In order to determine the turnover generated by the Group from taxonomy-eligible economic activities, the Company allocates the relevant products to those underlying activities. This KPI is calculated through our net sales reported in our Income Statement (denominator) and disclosed as part of the Group's Financial Statements.

OPEX denominator

Direct non-capitalized costs recorded in the Consolidated Income Statement under IFRS that relate to research and development, building renovation measures, short-term lease, maintenance and repair (excluding expenses reported as raw materials and consumables used), and any other direct expenditures relating to the day-to-day servicing of assets or Property, Plant, and Equipment (PPE).

CAPEX denominator

Additions to tangible and intangible assets accounted for in the Consolidated Financial Statements under IFRS during the financial year, considered before depreciation, amortization, and any re-measurements, excluding Goodwill (included in Note 7, 8, and 9 in the Financial Statements).



Social

ACCESS TO MEDICINE

For information on Lundbeck’s product donation program, our position papers, disease awareness material and patient support programs, and more, see the **Unmet patient needs** section of this report.

Pricing

Lundbeck acknowledges the challenges faced by healthcare systems under pressure from rising demands, and we recognize concerns expressed on the affordability of innovative medicines. See more in our **global pricing position**.

Product donation program

In 2020, we commenced our collaboration with International Health Partners (IHP) to initiate their first mental health program in the Middle East & Africa (MEA) region. In 2021, we signed a **Letter of Intent** to expand our partnership.

Diversity in clinical trials commitment

Building an inclusive clinical trials infrastructure, one that reflects the intended treatment population, is an important step toward combating health inequities and racial disparities in brain health.

In April, we launched the new, global Lundbeck Clinical Trial Diversity Principles, which entail the execution of a new global strategy in collaboration with patient advocacy groups and the implementation of an integrated oversight approach with monitoring and setting targets for trial diversity.

To guide our efforts, the Lundbeck Diversity Steering Team will assess and drive efforts in this area and monitor our progress to keep us accountable for effecting long-term, positive change. Lundbeck is also a signatory to the **PhRMA Principles on Conduct of Clinical Trials & Communication of Clinical Trial Results**, the first-ever industry-wide principles on clinical trial diversity in the U.S.

Patent principles

In 2021, Lundbeck and 25 other pharmaceutical companies announced an approach to intellectual property (IP) for advancing cures and therapies with patient and societal benefit at its core. It is called the **IP Principles for Advancing Cures and Therapies (IP PACT)**. We believe that IP is a key facilitator of medical progress, and we strive for patient and societal benefits as guiding principles in our IP practices. One of the principles is that we approach IP in the world’s poorest countries in ways that consider their unique socio-economic challenges. It is important to Lundbeck that patients and society understand the way we use IP and why it is essential to what we do. Therefore, together with other companies, we communicated these key IP principles that guide our use of IP to advance the goals of improving and extending patients’ lives.

Access to Health	Unit	Scope	2022	2021	2020
Donated treatment in Low-Middle Income Countries	Patients	c.	4.196	937	N/A

Clinical trial result disclosure

Clinical trials are outsourced and continuously monitored on regulatory Good Practice requirements, as well as all relevant requirements from **Lundbeck’s Code of Conduct**.

Lundbeck registers **clinical trial protocols** and discloses the results of clinical trials, regardless of outcome, in a publicly accessible clinical trial registry (ClinicalTrials.gov). In addition, clinical trial protocols and information on the results submitted by Lundbeck to the EudraCT database is made publicly available by the European Medicines Agency (EMA) via its clinical trial registry. Clinical trial reports will be accessible on the EudraCT site in accordance with EMA POLICY/0070. Non-interventional studies may also be disclosed if, for example, they are considered to provide important safety data.

Sustainability accounting policies - definitions

Donated treatment in Low-Middle Income Countries

Number of patients estimated by dividing the number of doses shipped with medically recommended average treatment. The number is based on a mathematical calculation based on the donated amount of medicine. The number is not based on an evaluation of actual treatment at clinics.



Lundbeck will seek to ensure that disclosure of clinical trial information follows the IFPMA, EFPIA, JPMA, and PhRMA joint position paper “Disclosure of Clinical Trial Information via Clinical Trial Registries and Databases”, the Declaration of Helsinki and other relevant clinical trial disclosure requirements.

PRODUCT AND PATIENT SAFETY

The Lundbeck Safety Board is the primary safety governance body at Lundbeck with a mandate to pause development activities globally for safety reasons, as well as to escalate safety issues directly to the CEO.

In 2019, a Chief Medical Officer role was introduced and was fully implemented in procedures in 2020. The role is linked to the Chair role of the Lundbeck Safety Board. In 2021, all employees globally were required to complete online awareness training on patient safety / pharmacovigilance.

Combating falsified or counterfeit products

We take stringent measures to secure our supply chain and ensure that genuine Lundbeck medicines reach patients every time. We protect the integrity of our products by labeling packages with batch numbers, serial numbers, and 2D matrix technologies. Tools used by our dedicated team in Brand Protection to identify threats and develop mitigation actions include:

- Ongoing monitoring of specific country customs data in response to known threats
- Customs surveillance & training
- Intelligence sharing with industry peers and associations
- Market surveys: purchases from pharmacies to assess the local market
- Online monitoring of e.g. marketplaces, online pharmacies, social media
- Quality complaints from affiliates
- Test purchases
- Mitigation actions and enforcement are appropriate to the assessed nature, scale, and impact of risks and/or threats

Lundbeck has mandatory Good Manufacturing Practices (GMP) and Good Distribution Practices (GDP) requirements in place that cover compliance in the area of Storage and Distribution and include managing risks related to third-party transportation companies.

Lundbeck collaborates with customs authorities to surveil shipments claiming to contain Lundbeck products, providing training when necessary. We also engage with international organizations dedicated to fighting counterfeit medicine by attending quarterly meetings of the EFPIA Anti-counterfeiting & Security Network, and regular workshops as well as annual conferences of the

International Anti-Counterfeiting Coalition (IACC) and the International Trademark Association (INTA).

Concerns and complaints related to product safety and counterfeit medicine are captured through dedicated channels (see Code of Conduct – Patient Safety). Customers and business partners are alerted to potential or known risks associated with counterfeit products by authorities who are notified according to Lundbeck’s country-specific processes. Additionally, wholesalers and distributors are advised by the local Lundbeck function responsible for quality and anti-counterfeiting.

Internal awareness training on illicit trade and anti-counterfeiting is provided throughout the year to commercial teams in countries with identified risks by Lundbeck’s Senior Brand Protection Manager.

Product quality

Product quality is paramount at Lundbeck. All our sites are subject to both internal and external Good Process (GxP) audits as well as regulatory audits.

All Lundbeck production sites hold the necessary certifications to operate as a pharmaceutical manufacturer, and we cascade our standards in our value chain through audits and training relating to Good Manufacturing Practices and Good Distribution Practices.



OWN EMPLOYEES

Our employees are our most important and critical resource. At Lundbeck, we ensure respect for the individual and the continuous development of our employees. We consider staying safe and healthy at work a fundamental right for all.

Diversity and inclusion

Lundbeck is a diverse company determined to build an inclusive high-performance culture that allows all employees to enrich their professional skills and career at Lundbeck without discrimination, as described in our global [Diversity and Inclusion Policy](#). See the [People & communities](#) chapter of this report for 2022 activities.

People	Unit	Scope	2022	2021	2020
Average employee remuneration	DKKm	c.	0.85	0.86	0.87
CEO/Employee ratio - without tax indemnification	Times	c.	34.5	30.8	31.5
CEO/Employee ratio - with tax indemnification	Times	c.	36.7	70.7	34.6
Gender balance - all employees ¹⁾	Female/male	c.	53.7/46.3%	53.9/46.1%	52.4/47.6%
Gender balance - all people managers ¹⁾	Female/male	c.	43.1/56.9%	42.6/57.4%	42.3/57.7%
Gender balance - Senior managers ²⁾	Female/male	c.	33.8/66.2%	31.5/68.5%	32.0/68.0%
Number of women on the Board (shareholder elected)	No. / Total No.	c.	2/7	2/7	1/6

1) Data from 2021 and 2020 updated due to recalculation

2) KPI added to reporting in 2022

Remuneration

At Lundbeck, we strive to offer employees a competitive and market-related remuneration package consisting of fixed and variable compensation as well as monetary and non-monetary benefits. We believe that with an employee-focused, fair, and transparent remuneration package, we can attract and retain the most qualified talents in the market. Lundbeck's compensation and benefit programs are reviewed each year and benchmarked against the market to ensure that Lundbeck's remuneration is competitive and aligned to our company goals and priorities.

Lundbeck's Management remuneration package consists of both fixed and variable components. All members of Management participate in Lundbeck's Long-Term Incentive program (LTI) which is a part of the variable remuneration. Lundbeck's LTI program is designed to retain Executives and to align with our shareholders' long-term interests through a link to the performance of Lundbeck's share price. The link provides Management with an incentive to drive innovation to Lundbeck's growth on a long-term sustainable basis.

Sustainability accounting policies - definitions

Average employee remuneration Total H. Lundbeck A/S remuneration excl. registered Executive Management members divided by total number of FTEs in H. Lundbeck A/S. This number is taken from the Remuneration Report, please see:

CEO/Employee ratio - without tax indemnification Total CEO remuneration without tax indemnification divided by H. Lundbeck A/S average employee remuneration excl. registered Executive Management members. This number is taken from the Remuneration Report, please see:

CEO/Employee ratio - with tax indemnification Total CEO remuneration with tax indemnification divided by H. Lundbeck A/S average employee remuneration excl. registered Executive Management members. This number is taken from the Remuneration Report, please see:

Gender balance - all employees Includes all permanent employees hired and paid directly by H. Lundbeck A/S. Gender is assigned as female or male. Gender balance reported as female/male shares of total.

Gender balance - all people managers Includes all managers that have at least one direct report in their organizational structure. Gender is assigned as female or male. Gender balance reported as female/male shares of total.

Gender balance - senior managers Includes all Executive Vice Presidents, Senior Vice Presidents and Vice Presidents. Gender is assigned as female or male. Gender balance reported as female/male shares of total.

Number of women on the Board (shareholder elected) Total number of women elected by the general meeting divided by the total number of members of the Board of Directors for H. Lundbeck A/S elected by the general meeting. Gender is assigned as male and female.



Employee satisfaction and development

All employees globally participate in an annual **Employee Satisfaction Survey**, where results of the survey are shared internally and action plans are put in place where necessary. All employees are also appraised annually and have an opportunity to discuss individual training needs and career aspirations with their immediate manager.

Flexibility, Mobility, and Wellbeing

In Lundbeck, we realize that individual productivity and wellbeing may be improved by having flexible work arrangements, which is why our Flexible Workplace, Flexible Workday, and Reduced Hours Policy applies to all our office employees. Although our primary place of work is in a face-to-face setting, local management decides how to shape the best work environment in each area. Place of work as well as working hours can be altered to be mutually beneficial to the employee and the organization. Employees can also apply for reduced work time according to their personal needs while special leave and sabbaticals are decided on a case-by-case basis. In Lundbeck, we want to achieve the flexibility and agility required to respond to changing business demands. Our Global Mobility Policy acts as a framework for extended business travel which allows eligible employees to participate in international assignments lasting from 2 to 36 months.

Supporting the mental and physical wellbeing of our employees is a high priority. Wellbeing initiatives vary from location to location to account for the diverse needs in our global organization. Stress prevention programs have been rolled out in major sites, giving employees the tools and support they need to maintain a healthy balance in their work and personal life. Local management teams prioritize work-life balance considering individual needs in their teams and monitoring wellbeing through continuous dialogue and annual surveys. For more information about working at Lundbeck, visit our [career pages](#).

Occupational Health and Safety

It is key for Lundbeck that we provide a safe and healthy workplace and inclusive culture. This is addressed and enforced through regular training, awareness campaigns, and internal audits. Lundbeck's Health and Safety performance is governed by our **Code of Conduct**, our **Position on Health and Safety, Health, Safety and Environment Policy**, and our **Health, Safety and Environment Strategy**. Lundbeck's corporate headquarters and our larger research, development, and manufacturing facilities are certified to **the ISO 45001 standard certification**.

Health & Safety	Unit	Scope	2022	2021	2020
Work-related accident with absence	No.	a.	21	24	20
Work-related near miss	No.	a.	466	449	470
Work-related accident without absence	No.	a.	91	81	66
Work-related disease	No.	a.	1	0	2
High-consequence work-related accident with absence	No.	a.	3	6	5
Frequency of lost time accidents	Freq.	a.	5,8	6,5	5,5
Fatalities	No.	a.	0	0	0

Sustainability accounting policies - definitions

Work-related accident with absence	An undesired event or exposure that occurs suddenly and gives rise to personal physical or psychological injury and results in days away from work for one or more days in addition to the day of the accident.
Work-related near miss	A sudden, unexpected incident or situation where no personal injury occurred, but had the potential to do so.
Work-related accident without absence	An event or exposure that occurs suddenly and gives rise to personal physical or psychological injury, but does not result in incapacity to work in addition to the day of the accident.
Work-related disease	A work-related disease that arises after long-term harmful exposure from the work or working conditions. Must be recognized as a disease by the competent authority.
High-consequence work-related accident with absence	Work-related accidents with absence that are assessed as "Large" (work-related injury with permanent injury) or "Catastrophic" (death or disability) in internal risk assessment and results in an injury from which the employee is not expected to recover fully within six months.
Frequency of lost time accidents	The frequency is calculated as the number of accidents with absence and fatalities per one million working hours. Total number of working hours is calculated using an estimate of 225 working days a year multiplied by 7.4 hours per day multiplied by the number of employees.
Fatalities	Fatalities are the number of employees who lost their lives as a result of a work-related accident. These accidents are included in the calculation of the Frequency of lost time accidents.



SOCIAL RESPONSIBILITY IN OUR VALUE CHAIN

All raw material suppliers for commercial production and Contract Manufacturing Organizations are subject to a human rights and environmental due diligence screening prior to engagement with Lundbeck, as well as ongoing monitoring. All such facilities located outside the EU/ESS and North America are audited by qualified Lundbeck staff for health & safety, employment, and environmental conditions.

Third parties and suppliers are contractually bound to adhere to local and internationally recognized anti-corruption, labor rights, human rights, and environmental standards as dictated by principles of the UN Global Compact. Critical or material collaboration partners and suppliers are contractually required to adopt our **Third Party Obligations**, which bind them to adhere to relevant sections of Lundbeck's Code of Conduct.

To assess and verify compliance, we apply systematic due diligence with regards to respecting human and labor rights, environmental protection, and preventing corruption.

The specific risk areas assessed are:

- Conflict of interest
- Financial crime (including corruption, bribery, tax evasion, and violations of trade sanctions)
- Promotional misconduct
- Human and labor rights violations
- Significant environmental impact

Often, we combine a due diligence process with training, performance monitoring, and compliance audits, where we emphasize continuous open dialogue with our suppliers and third parties.

HUMAN RIGHTS

Our **human rights statement** expresses our commitment to respect human rights, while our commitment to ending all forms of human slavery is reflected in our **UK Modern Slavery Act Statement**. Additionally, we are advocates for the respect of human rights in relation to mental health. It is a tragic fact that people living with mental health conditions can be amongst the most vulnerable in society, enduring incarceration, chaining, coercion and over-medicalization, stigma, and exclusion.

Data privacy

H. Lundbeck A/S ("Lundbeck") is firmly committed to protecting the privacy of the personal data we collect. In processing personal data, Lundbeck (as data controller) will comply with applicable legislation, including the General Data Protection Regulation ("GDPR") and the Danish Data Protection Act.

Read our **Data Privacy Policy** to find out more about how we at Lundbeck are committed to safeguarding the rights of patients, research and business partners, and our employees, in accordance with applicable personal data legislation.

Data Ethics Policy

In 2021, Lundbeck developed and approved a new, global **Data Ethics Policy** on ethical and responsible decision making on the use of data. Our Data Ethics Policy states the principles we commit to apply beyond staying compliant with current data protection regulations. It is especially relevant in the development or application of fast-moving, innovative digital technologies. The Data Ethics Policy shall help us make ethical and responsible decisions on the use of data with maximal benefit and minimal harm for individuals and society.

PRESENCE IN RUSSIA

Lundbeck condemns the war in Ukraine and Russia's invasion of a free and democratic nation. We are complying with all sanctions and are performing extra checks to ensure that we are not trading with some of the sanctioned companies or organizations in Russia.

Essential food supplies and medicine are often exempt from sanctions on humanitarian grounds. Lundbeck has therefore decided to continue supplying medicine to people with brain diseases in Russia – something that is allowed under the current sanctions. We closely follow whatever sanctions are decided, and we make corrections to comply on an ongoing basis, should the sanctions be extended.



Governance

BUSINESS ETHICS

Our Code of Conduct is the backbone of our ethics and compliance culture and is available in 11 different languages. It conveys our commitments and expectations to our employees for areas critical to the pharmaceutical industry. All Lundbeck employees and third parties working on Lundbeck's behalf are obliged to observe the Code of Conduct and any stricter local regulations. Each year, all employees are trained in different areas of the Code of Conduct, and we set targets for the completion rates.

Compliance governance and management

Lundbeck's Board of Directors' Audit Committee provides oversight of Lundbeck's Compliance Program, including the investigation procedures and outcomes. Our Chief Compliance Officer provides briefings on current developments at the Audit Committee meetings, which aims to ensure the Code of Conduct Compliance Program and organization is kept effective, sufficiently positioned, and resourced.

Lundbeck's Compliance Committee, led by the Chief Financial Officer representing Executive Management and Senior Management, sets strategic directions for the development of Lundbeck's global Compliance Program. Regional Compliance Officers, who report (dotted line) to the Chief Compliance Officer, are responsible for implementing the Compliance Program in Lundbeck's affiliates within the region.

The global and local procedures around the Code of Conduct contain more operational requirements and good practices. Lundbeck maintains a Good Practice (GxP) quality management system for patient and product safety to control risks, continually improve processes, and meet regulatory expectations.

Our Business Ethics compliance audits and monitoring efforts aim to validate understanding of the requirements and capture suggestions for improvements of the processes and controls. Lundbeck's auditors provide feedback on corrective and preventive actions to ensure local management ownership and follow-up. An Audit Management Group coordinates across the corporate functions that are responsible for performing different types of audits.

We build our governance around the principles in our Code of Conduct, which are cascaded as needed into manuals, guidelines, policies, and standard operating procedures. Relevant documents that are publicly available are referenced in these Sustainability Statements under the respective issue.

Transparent interactions

We are committed to transparency and we are a member of the European Federation of Pharmaceutical Industries Associations (EFPIA). We disclose the transfers of value we make to individual healthcare professionals and healthcare and patient organizations. Read more about [interactions with healthcare professionals and patients](#), a [methodological note](#) on disclosures, and [Lundbeck's EFPIA Disclosure Code](#) Self-Certification Scheme on [lundbeck.com](#).

Promotional activities

Promotion of medicinal products is strictly regulated and monitored by local authorities and industry associations. We are committed to complying with applicable laws, regulations, and industry codes. This means maintaining processes and providing extensive training to ensure that promotional activities are appropriately assessed.

Lundbeck's independent Promotional and Advertising Review Committee reviews and approves promotional activities, including materials, produced at our headquarters. Our affiliates are responsible for ensuring that promotional activities, including materials, are reviewed and approved in accordance with applicable rules, before the materials are used within the specific local market.



Audits and monitoring

Lundbeck continuously performs a significant number of audit, monitoring, and control activities within compliance. These cover both our internal processes as well as external partners such as suppliers. Due to Covid travel restrictions early in the year, it was not always feasible to conduct all planned physical audits; therefore, some activities were postponed or replaced with remote reviews.

Supplier and third-party due diligence

Our supplier and third-party due diligence process specifically looks at identifying and mitigating risks in relation to: conflict of interest; financial crime including bribery, tax evasion, and violations of trade sanctions; promotional misconduct; human and labor rights violations; and significant environmental impacts.

The due diligence process takes a risk-based approach and targets goods, services, and collaborations where the risks are most prevalent: in chemical manufacturing, customs clearance, product price negotiations, obtaining product marketing authorizations, organizing promotional or educational events, and when selling Lundbeck products.

Read more about our [due diligence process](#) on Lundbeck.com; see the areas covered by our due diligence process and the contractual [obligations](#) that third parties are required to adhere to.

Code of Conduct compliance	Unit	Scope	2022	2021	2020
Total sum of all audits	No.	c.	353	348	344
Sum of internal audits	No.	c.	146	210	212
Patient & product safety audits	No.	c.	74	46	71
Health, Safety & Environment audits	No.	c.	7	13	8
Business ethics and internal control audits	No.	c.	65	151	133
Sum of audits of external partners	No.	c.	207	138	132
Patient & product safety audits	No.	c.	142	106	120
Health, Safety & Environment audits	No.	c.	9	9	2
Third parties and supplier audits	No.	c.	56	23	10
Compliance Hotline reports¹⁾	No.	c.	78	21	24
Completion rate of annual Code of Conduct e-learning	%	c.	98.6	99.7	N/A
Due diligence screenings²⁾	No.	c.	129	N/A	N/A

1) Compliance Hotline reports were aggregated by case prior to 2022. New accounting policy for 2022 - each report now presented unaggregated.

2) KPI added to reporting in 2022

Sustainability accounting policies – definitions

Patient & product safety audits Includes the following audit areas: Good Clinical Practice, Good Laboratory Practice, Good Manufacturing Practice, Good Distribution Practice, Medical Regulatory Clinical Quality Assurance (MRC QA), Pharmacovigilance Audits, Chemistry, Manufacturing, and Controls Quality Assurance (CMC QA), Corporate Product Quality (CPQ), and Animal Welfare. All audits are performed and reported by internal functions in Lundbeck.

Health, Safety & Environment audits Process for verifying that our internal operations, as well as the operations of our suppliers and third parties, meet our expectations and requirements with regards to health & safety performance, human and labor rights performance (applicable for suppliers and third parties), and environmental performance. All audits are performed and reported by internal functions in Lundbeck.

Business ethics and internal control audits Compliance reviews, financial audits and reviews, and audits and monitoring of field-based activities and employees. All audits are performed and reported by internal functions in Lundbeck.

Third parties and supplier audits Compliance reviews and audits of third parties and suppliers (based on contractual requirements and requirements stipulated in Lundbeck's third-party obligations), and information security reviews of external personal data processors. All audits are performed and reported by internal functions in Lundbeck.

Compliance Hotline reports All concerns reported through the Compliance Hotline, regardless of whether investigations were able to be substantiated. Data from prior to 2022 is based on the aggregation of reports to the same specific cases.

Completion rate of annual Code of Conduct e-learning Includes all permanent and temporary employees, excluding employees on leave. Completed by 27 January 2023.

Due Diligence screenings of suppliers and third parties An examination of publicly available sources to identify potential risks related to potential or existing third parties. The number contains all screenings completed, found to be out of scope, or withdrawn by the reporter.



WHISTLEBLOWER SYSTEM AND OMBUDSMAN

Lundbeck has in place a Compliance Hotline (whistleblower system) as a secure and confidential reporting channel managed by an independent provider. Due to data protection regulations and other legal restrictions, only concerns that involve legal or other serious risks to Lundbeck may be reported via the Compliance Hotline. All reported concerns are investigated and handled in line with Lundbeck's global procedure. Our investigations are guided by principles that manifest Lundbeck's beliefs, including:

- Protection of good-faith reporters against retaliation
- Confidentiality
- Cooperation
- Proportionality
- Communication
- Independence

The Compliance Hotline investigation procedure was last updated in 2021 to reflect the EU Directive 2019/1937 on protecting whistleblowers that entered into force in 2021.

We continuously work to increase visibility of the Compliance Hotline via internal awareness campaigns and externally on localized Lundbeck websites. Read more on [what allegations can be reported](#).

An Ombudsman is available to employees for work-related grievances not covered by the Compliance Hotline. There are also channels available for reporting [Adverse Drug Reactions](#) and other patient and product safety-related issues and complaints, including information about counterfeit medicine.

ANIMAL WELFARE

As part of the development of new treatments, we are obliged to conduct tests on animals to ensure patients receive safe and effective medicines. We prioritize animal welfare and commit to the [ethical treatment of animals](#) used in our research. We provide appropriate care for our animals and continuously work to improve our animal research policy and procedures as well as our animal facilities.

Lundbeck's Animal Care and Use Committee oversees all testing on animals and reviews animal models on a continuous basis using the principles of replacement, refinement, and reduction of animals (3Rs) to which we are fully committed.

Additionally, a dedicated team of specialists is responsible for auditing and approving locations where testing on animals is performed on Lundbeck's behalf. In 2021, we conducted 31 external animal welfare audits. All employees working with animals have appropriate and documented education (FELASA standards) and internal training that depends on the type of work being performed. Lundbeck works with external partners on implementing the 3Rs for continuous improvements, actively supports the National 3R Center in Denmark, and meets with animal welfare organizations regularly to discuss best practices and progress.

Our Animal Care and Use Committee consists of: a Chair (SVP level), a researcher with hands-on experience, a representative from Animal facilities, laboratory animal veterinarians, a lay person, and an external expert in laboratory animal science.

BOARD LEVEL COMMITTEES

The Board of Directors has set up three advisory committees: The Audit Committee, the Remuneration & Nomination Committee, and the Scientific Committee. More can be read in our Statutory [Corporate Governance Report](#).

PUBLIC AND POLITICAL INFLUENCE

We comply with the Danish lobby code for pharmaceutical associations. Global affiliates follow local legislation. Our EU lobbying activities are registered in the official transparency register, and there is one meeting registered for 2022.

In the U.S., we are required to report quarterly to Congress (searchable through a public database) the costs associated with lobbying on behalf of Lundbeck (which includes our consultants and trade association dues attributable to lobbying), and also disclose the issues we lobby on.

CORPORATE GOVERNANCE

Our [governance framework](#) is based upon the recommendations issued by the Danish Committee on Corporate Governance and consists of rules and principles that support sustainable financial performance and long-term value creation for our shareholders and for our societies. More information is also available in our Statutory [Corporate Governance Report](#).



Sustainability Accounting Policies

REPORTING PERIOD

All reported data are covering a full year period (1 January to 31 December 2022). The accounting policies have been applied consistently for all the years presented, if not otherwise stated. All KPIs reported in the Sustainability Report are gathered and aligned with the timeline for annual reporting of the financial data.

SCOPE

There are four different scopes used for KPIs:

a) Production sites: Valby (DK), Lumsås (DK), Valbonne (F), and Padova (I)

Scope a is used for indicators related to accidents with absence and accident frequency, environmental management, environmental incidents, VOC emissions, production of waste, and resource flows, as these are almost entirely related to our production sites.

b) Production sites: Valby (DK), Lumsås (DK), Valbonne (F), and Padova (I), and four additional sites: Krakow (PL), La Jolla, Deerfield, and Seattle (USA)

Scope b is applied to indicators for the consumption of energy and scope 1 and 2 GHG emissions. All emissions within operational control boundaries are included within this scope, as our rented offices at our affiliate locations are accounted as leased assets. Note that scope 1 GHG emissions include emissions from our fleet of company cars worldwide, for which scope c (all sites and all employees) applies.

c) All sites and all employees

Scope c is applied for business ethics, people and remuneration, and access to health indicators, as these policies and activities cover all Lundbeck employees.

d) Entire business worldwide and value chain

Scope d contains the three indicators for Scope 3 GHG emissions encompassing 67% of our estimated total GHG footprint from our value chain, which is in line with our SBTi target for Scope 3.

In the event of acquisitions or divestments, Lundbeck will include or exclude any acquired or divested business from the following full financial year.

DATA QUALITY AND CONSOLIDATION

We are committed to collecting the most accurate data possible and in order to do this, we use a number of data collection tools and reporting software. Nevertheless, it is not always possible to gain a fully aligned register of data, and estimations are sometimes necessary. The KPIs which necessitate the use of estimations are clearly marked within the KPI definitions, which also contain detailed information on how the KPI is measured and the data needed for the calculations.

DEFINITION OF INDICATORS

Accounting policies are stated along with the KPIs on [pages 30-33, 38, 40-41, and 44](#) and are part of the collective Sustainability Accounting Policies.

REVISED/NEW INDICATORS IN 2022

• Due Diligence screenings of suppliers and third parties

This is a KPI that we have used for number of years in Lundbeck as a performance measurement. We have now included it in our external reporting to increase transparency in our third party and supplier due diligence process.

• Renewable energy share changed to Renewable electricity share

In the coming years we will focus strategically on increasing our renewable electricity share globally as a part of our Zero Carbon Transition Plan.

• Gender balance – Senior Managers

Added as performance measure for a new target set within Lundbeck's Sustainability Strategy.



Management Statement regarding the 2022 Sustainability Report

The Board of Directors and the registered Executive Management have today considered and approved the 2022 Sustainability Report of H. Lundbeck A/S for the reporting period 1 January to 31 December 2022.

The Sustainability Data in the 2022 Sustainability Report has been prepared in accordance with the stated sustainability

accounting policies and the Greenhouse Gas Protocol guidelines regarding our carbon footprint.

In our opinion, the 2022 Sustainability Report gives a fair presentation of the Group's sustainability activities and the results of our sustainability efforts in the reporting period, as well as a balanced presentation of our

environmental, social, and governance performance in accordance with the stated sustainability accounting policies.

Copenhagen, 8 February 2023

REGISTERED EXECUTIVE MANAGEMENT

Deborah Dunsire
President and CEO

Lars Bang
Executive Vice President,
Product, Development & Supply

Joerg Hornstein
Executive Vice President,
CFO

Per Johan Luthman
Executive Vice President,
Research & Development

Jacob Tolstrup
Executive Vice President,
Commercial Operations

BOARD OF DIRECTORS

Lars Søren Rasmussen
Chair of the Board

Lene Skole-Sørensen
Deputy Chair

Santiago Arroyo

Jeffrey Berkowitz

Lars Erik Holmqvist

Jeremy Max Levin

Ilse Dorothea Wenzel

Hossein Armandi
Employee representative

Lasse Skibsbye
Employee representative

Dorte Clausen
Employee representative

Camilla Gram Andersson
Employee representative



Independent limited assurance report on the Sustainability Data

TO THE STAKEHOLDERS OF H. LUNDBECK A/S

H. Lundbeck A/S ('Lundbeck') engaged us to provide limited assurance on the Sustainability Data included in the 2022 Lundbeck Sustainability Report on pages 30-33 and 38-46 for the period 1 January - 31 December 2022 (the "Sustainability Data").

Our conclusion

Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us not to believe that the Sustainability Data in the 2022 Lundbeck Sustainability Report are prepared, in all material respects, in accordance with the Sustainability Accounting Policies developed by Lundbeck as stated on pages 30-33 and 38-46 (the "Sustainability Accounting Policies").

This conclusion is to be read in the context of what we state in the remainder of our report.

What we are assuring

The scope of our work was limited to assurance over the Sustainability Data included in the following sections of the 2022 Lundbeck Sustainability Report:

- Environmental management on page 30.
- Circularity - resource flows on page 31.

- Climate and Energy on page 32.
- Access to Health on page 38.
- People on page 40.
- Health & Safety on page 41.
- Code of Conduct compliance on page 44.

We express limited assurance in our conclusion.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements'. The quantification of greenhouse gas emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine the emissions factors and the values needed to combine emissions of different gasses.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the

procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, and ethical requirements applicable in Denmark.

PricewaterhouseCoopers applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our work was carried out by an independent multidisciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Sustainability Data need to be read and understood together with the Sustainability Accounting Policies. The Sustainability Accounting Policies used for the preparation of the Sustainability Data are accounting policies developed by the company, which Management is solely responsible for selecting and applying.

The absence of a significant body of established practice on which to draw to evaluate and measure Sustainability Data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the Sustainability Data. In doing so and based on our professional judgement, we:

- Evaluated the appropriateness of the Sustainability Accounting Policies used, their consistent application and related disclosures in the 2022 Lundbeck Sustainability report.



- Made inquiries and conducted interviews with Lundbeck's management with responsibility for management and reporting of the Sustainability Data to assess reporting and consolidation process, use of company-wide systems and controls performed.
- Performed limited substantive testing on a sample basis to underlying documentation and evaluated the appropriateness of quantification methods and compliance with the Sustainability Accounting Policies for preparing Sustainability Data at corporate head office and in relation to selected Lundbeck reporting sites.
- Performed analytical review and trend explanation of the Sustainability Data.
- Evaluated the evidence obtained.

Statement on other sustainability information mentioned in the report

Management of Lundbeck is responsible for other sustainability information communicated in the 2022 Lundbeck Sustainability Report. The other sustainability information on page 1-29 and 34-37 of the 2022 Lundbeck Sustainability Report comprises the sections 'Introduction', 'Unmet patient needs', 'Business Ethics', 'Climate Change and Circularity', 'People and Communities', Reporting according to climate-related financial disclosures (TCFD) and Reporting according to the EU taxonomy regarding Lundbeck's 2022 sustainability approach, activities and results.

Our conclusion on the Sustainability Data on page 30-33 and 38-46 does not cover other sustainability information and we do not express an assurance conclusion thereon. In connection with our review of the Sustainability Data, we read the other sustainability information in the 2022 Lundbeck Sustainability Report and, in doing so, considered whether the other sustainability information is materially inconsistent with the Sustainability Data, our knowledge obtained in the review or otherwise appear to be materially misstated. We have nothing to report in this regard.

Management's responsibilities

Management of Lundbeck is responsible for:

- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Data in the 2022 Lundbeck Sustainability Report that are free from material misstatement, whether due to fraud or error;
- Establishing objective Sustainability Accounting Policies for preparing the Sustainability Data;
- Measuring and reporting the information in the Sustainability Data based on the Sustainability Accounting Policies; and
- The content of the 2022 Lundbeck Sustainability Report.

Our responsibility

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Data for the period 1 January - 31 December 2022 are prepared, in all material respects, in accordance with the Sustainability Accounting Policies;
- Forming an independent conclusion, based on the procedures performed and the evidence obtained; and
- Reporting our conclusion to the Stakeholders of Lundbeck.

Hellerup, 8 February 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 3377 1231

Lars Baungaard
State Authorized Public Accountant
mne23331

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