# Coverage of our global due diligence process

## The aim of this document is to provide interested parties with insights on topics covered by Lundbeck's global business ethics due diligence process.

Defined in our Code of Conduct under Supplier and Third Party Obligations, this process applies to onboarding and continuous monitoring of high-risk suppliers and third parties throughout our global value chain.

Kindly note, a supplier or third party is often also subject to several other compliance and quality requirements (including reviews and audits), and that all these processes work to complement one another for the duration of a specific collaboration, even if they are not listed or specified below.

Means of verification can vary from online searches (in databases and open source search engines), desktop reviews of policies and procedures, to interviews and onsite audits. The nature of any collaboration, the risks associated with specific services, and general business impact are key factors when determining means of verification, and not all areas may be relevant for all collaborations.

## Topics Covered

| Area | Methods and Means of verification |
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| **Anti-Bribery and Anti-Corruption** | <ul><li>Database searches</li><li>Review of company policies and practices</li><li>Verification of enforcement actions (if any), e.g. FCPA / SEC and UKBA</li><li>Open source searches</li></ul> |
| **Politically Exposed Persons** | <ul><li>Database searches for:<ul><li>Heads & Deputies State, and Government Ministers</li><li>Members of the National Legislature</li><li>Senior Civil Servants</li><li>Embassy & Consular Staff</li><li>Senior Members of the Ministry of Health, Armed Forces, Police Services, Secret Services, and Judiciary</li><li>State Owned Enterprises and its Executives</li><li>State Agency Officials</li><li>Religious Leaders</li><li>Political Party Officials</li><li>International Organisation Officials</li><li>Political Pressure and Labour Group Officials</li><li>Other Regional and Local Public Officials</li><li>Other celebrity status</li><li>International Sporting Organisation Officials</li><li>Relatives and close associates of the above categories</li></ul></li></ul> |

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| **Company ownership structure and ultimate beneficiaries** | • Database Searches<br>• Public registries<br>• Open source searches |
| **Validation of company information** | • Database Searches<br>• Public registries<br>• Open source searches |
| **International crime** | • Database searches for:<br>  ○ Organised Crime<br>  ○ Terror<br>  ○ Trafficking<br>  ○ War Crimes<br>• Public registries<br>• Open source searches |
| **Criminal and Civil Litigation** | • Database Searches<br>• Public registries<br>• Open source searches |
| **Financial Crime, e.g. tax evasion, fraud, and money laundering** | • Database Searches<br>• Public registries<br>• Open source searches |
| **Verification of any negative/ adverse media** | • Database Searches<br>• Open source searches |
| **Export controls - sanctioned states, entities, and person** | • Database searches for:<br>  ○ EU sanctions<br>  ○ US Terrorist Exclusion List<br>  ○ US Department of State Lists<br>  ○ US Office of Foreign Assets Control Lists<br>  ○ US Department of the Treasury Lists<br>  ○ Vast variety of other sanctions lists published by national governments globally |
| **Conflict of interest** | • Database searches<br>• Open source searches<br>• Verification of correct use of internal sourcing and procurement procedures |
| **Human rights due diligence** | *Our work is based on expectations and guidance set out in the UN Guiding Principles as well as the OECD Guidelines for Multinational Enterprises*<br>• Identifying and addressing salient human rights issues in relation to our collaboration / impact<br>• Database searches<br>• Open source searches |
| **Labour Rights** | *In addition to online searches in databases, public registries and open source tools, we perform social audits in high risk countries in our supply chain. These are some of the main labour rights practices covered at audits (with reference to international instruments):*<br>• Labour practices/ standards (ILO Conventions 122, 158 and 175, ILO Recommendation 166)<br>• Collective bargaining and unionisation rights (ILO Conventions 87, 98, 135 and 154, ILO Recommendations 135 and 143)<br>• Living wages (ILO Conventions 131, and ILO Recommendation 135)<br>• Working hours (ILO Conventions 001, 014, 106 and 030)<br>• Forced or bonded labour (ILO Conventions 29 and 105)<br>• Discrimination (ILO Conventions 100 and 111)<br>• Health & Safety (ILO Convention 155)<br>• Child labour (Convention on the Rights of the Child, ILO Conventions 138 and 182) |

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| **Environmental impact** | *In addition to online searches in databases, public registries and open source tools, we perform environmental audits in high risk countries in our supply chain. These are some of the main environmental areas covered in such audits:*<br>• Chemical management<br>• Hazardous waste management<br>• Effluent treatment (water disposal)<br>• CO2 and Greenhouse Gas management<br>• Energy management |