



Sustainability Report 2021

Lily Chan
Living with bipolar disorder
Lundbeck employee

Visit the Lundbeck website
www.lundbeck.com

Photography

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This report constitutes Lundbeck's compliance with the statutory disclosure on corporate social responsibility, see the Danish Financial Statements Act, sections 99a, 99b, 99d and 107d.

COMMUNICATION ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Ongoing commitment

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.

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.



Living with bipolar is not the difficult part. Not being accepted because I have bipolar is the most difficult part.



Lily Chan

PA & Office Admin Manager, Lundbeck
HONG KONG

When first diagnosed with bipolar disorder, Lily Chan rejected the news. She feared the stigma she would face from her colleagues and community, and she held her own self-stigma. So, she denied and hid her illness. Then followed a years-long rollercoaster ride of uncontrolled mania with episodes of severe depression and a series of hospitalizations. In a new feature on Lundbeck.com, Lily shares how she finally

learned to accept her diagnosis, begin her healing and achieve recovery. And recovered she is, she emphasizes, even if she is not cured. For Lily, recovery means accepting and managing her brain disease so she can live her best life. "Living with bipolar is not the difficult part. Not being accepted because I have bipolar is the most difficult part," she says. Read [Lily's full story](#) on Lundbeck.com

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



LETTER FROM THE CEO

Steadfast on Sustainability

2021 marks the second year of Lundbeck's Sustainability Strategy launched in early 2020. We are already seeing strong progress towards many of our 2030 aspirations, not least due to the foundation laid over decades. We are continuously striving to improve and are steadfast in our commitment to building our business sustainably and are confident we will achieve our long-term goals.

Lundbeck's Sustainability Strategy aims are tightly integrated into our daily business. The long-term aspiration guides us as we pursue our purpose of restoring brain health, so every person can be their best.

The Executive Management team serves as the steering committee. I'm pleased about the progress we see in the workstreams and the results on the 2021 targets. We set stretch goals to make sure we challenge ourselves to reach higher. We believe we can achieve more through stretching, even if we do not achieve all goals than if we only set fully achievable targets.

Our sustainability aspirations for addressing unmet patients' needs include leveraging our specialist expertise to address the burden of brain diseases and striving to make transformative medicines available. We have made exciting advances in R&D this year, among other things, by focusing in on specialist treated and underserved niches within the broad area of brain disease.

We successfully met our targets this year for promoting awareness and accessibility to brain health through

impactful partnerships with a number of advocacy, educational and aid organizations. We plan to grow our collective impact in the coming year.

Integrity and responsibility are foundational to maintain our mandate to operate. Business ethics and compliance with laws and regulations around the world is therefore a major focus in our management and governance. In 2021, we further strengthened our global compliance program and organization, engaging all employees in training.

Since 2006, we have reduced the carbon footprint of our own operations by 70%. And we've committed to another 60% reduction in the next 15 years from our own operations. Lundbeck is the anchor purchaser for energy from a new solar plant, completed in 2021. Our entire Danish operations will be supplied through this renewable energy from 2022 onward.

Across our entire supply chain we look to reduce our carbon footprint. For example, in clinical trials we are working to reduce patient visits to medical centers through using virtual assessment tools for some visits.



“
We look to have sustainability metrics that we can hold ourselves accountable on – and welcome investor and other stakeholder interest in them.
”

This also increases accessibility for more patients to participate in trials. This is an emerging field that will yield improvements over time.

Everywhere we operate, we strive to make a positive contribution to the people & communities we touch. This means safeguarding and developing our employees, acting on gender equality, diversity and inclusion, and contributing to the communities where we do business by paying taxes and more. Great progress has been made this year and I'd like to thank the many employees across our global organization, who contributed to this.

Finally, a special thank you to our colleague Lily Chan for courageously sharing her story about living with bipolar disorder, included on the cover of this report.

Deborah Dunsire
President and CEO of Lundbeck

Sustainability key figures

ACCESS TO BRAIN HEALTH



937

patients estimated to have been reached with our donation partnership in low- and middle-income countries.

Read more on [page 10](#)

BUSINESS ETHICS COMPLIANCE

99.7%

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



Read more on [page 14](#)

CLIMATE ACTION



▼16%

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

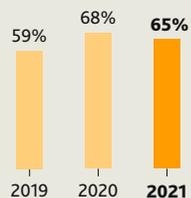
▲26%

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

Read more on [page 17](#)

CHEMICAL RECYCLING

65%

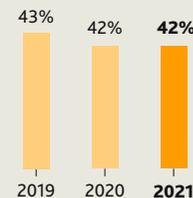


We outperformed the target to recover and reuse 60% of the organic compounds used in chemical production. Targets are set annually based on expected production volume and mix.

Read more on [page 19](#)

WOMEN IN MANAGEMENT

42%



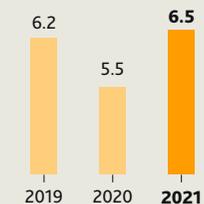
The level of women in management is high with a gender split for people managers globally of 42% women and 58% men.

Read more on [page 21](#)

HEALTH & SAFETY

6.5

Frequency of lost time accidents per one million working hours.



We have seen an increase in our accident rate this year compared to previous years. Even though a smaller share of the accidents were serious, we are determined to bend this curve.

Read more on [page 22](#)

Our Business

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

KEY RESOURCES

Diverse talent pool

5,300 highly specialized employees across 50+ countries

Manufacturing

4 state-of-the-art production sites

Research & Development

Premier neuroscience pipeline and expertise

Products

Strong CNS legacy with a strategic product portfolio registered in 100+ countries

Sustainable sourcing

Responsibly and sustainably sourced raw materials

Ownership

Solid majority foundation ownership with long-term commitment to brain health

Partnerships

Long-standing partnerships across the value chain

WHAT WE DO

Development

We conduct clinical studies globally on new drug candidates, and we work to develop safe, reliable, efficient and sustainable manufacturing processes.



Advocacy

We enter partnerships to co-create and publish evidence that fights stigma, and we advocate for systemic change.



Production

We strive to create the best supply chain in the pharmaceutical industry through continuous improvement of reliability, quality, sustainability and cost.

Research

We work to understand the underlying disease biology and identify new targets in the brain for innovative, transformative drug candidates.



Diversity & Inclusion

We create the context, culture, and systems where all Lundbeck employees can be their authentic self and perform at their best.

Marketing & Sales

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

SOCIETAL CHALLENGES

Unmet patient needs

- Pressured healthcare systems
- Access inequality and barriers
- Stigmatization of brain disease
- Neglected rare diseases

Business ethics

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

Climate change & circularity

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

People & communities

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

VALUE CREATED

People

Passionate and engaged employees

Medicine

Continuous supply of products

Sustainable business

Strong ESG ratings

Shareholder value

Sustained profitable growth

Increased quality of life for patients

7

million patients treated daily

Increased disease awareness and improved access to brain health

#1

A highly rated and trusted partner among key stakeholders

20%

of revenue re-invested into R&D



Our most material issues

For over a decade, we have reported on our sustainability efforts, the most important challenges and impacts on our business, stakeholders and the societies in which we operate.

Lundbeck's sustainability strategy aims to ensure that we mitigate our most significant sustainability risks and adverse impacts. We continuously evaluate what matters most to our business and our stakeholders, by applying so-called "double materiality". This includes assessing how we best conduct our business in support of the UN Sustainable Development Goals (SDGs).

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.

SOCIETAL CHALLENGES

Materiality aspects

What are the main issues affecting our stakeholders?

Why it matters to our business?

How this represents a risk to 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

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.

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



Ethical business conduct

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

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.

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



Climate change & circularity

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

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.

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.



People & communities

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

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.

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



Sustainability targets

Lundbeck's sustainability strategy aims to ensure that our business activities mitigate our most significant sustainability risks and adverse impacts. We have long-term 2030 aspirations and set annual targets for the main workstreams of the strategy. Below is an overview of how we performed on the 2021 targets and the targets we have set for 2022.

This year, 8 out of 10 targets have been achieved or are on track. We have raised the bar across the board for next year's targets. See the **ESG Factbook** section of this report for more on our performance on these targets and on a range of other sustainability KPIs that we use to steer and monitor our progress.

Issue	2022 target	2021 target	SDG Impact
ACCESS TO BRAIN HEALTH	<p>Ensure all disease awareness sponsorships measurably support brain health in general, mental health and suicide prevention, or migraine</p> <p>Donate treatment for at least 1,000 patients in low- and middle-income countries through product donation partnership</p>	<ul style="list-style-type: none"> ✓ Ensure all disease awareness sponsorships within psychiatry measurably support suicide prevention or mental health awareness ✓ Donate treatment for at least 900 patients through new product donation partnerships in low- and middle-income countries 	<p>3 GOOD HEALTH AND WELL-BEING </p> <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS </p> <p>13 CLIMATE ACTION </p> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION </p> <p>10 REDUCED INEQUALITIES </p> <p>5 GENDER EQUALITY </p> <p>8 DECENT WORK AND ECONOMIC GROWTH </p>
BUSINESS ETHICS	<p>Annual Code of Conduct training completed by all employees at work globally</p> <p>Increase the share of employees stating in the annual ESS that they are confident in raising an ethical or compliance concern</p>	<ul style="list-style-type: none"> ✓ Annual Code of Conduct training completed by all employees at work globally ✗ Increase proportion of healthcare professionals supporting disclosure of collaborations compared to the previous reporting year 	
CLIMATE ACTION	<p>Reduce total carbon footprint across own operations, supply and distribution in line with our Science-Based Target¹</p>	<ul style="list-style-type: none"> ○ Reduce total carbon footprint across own operations, supply and distribution in line with our Science-Based Target¹ 	
ENVIRONMENTAL MANAGEMENT	<p>Recycle 63% of the organic compounds used in chemical production</p> <p>Recycle 70% of all general waste</p>	<ul style="list-style-type: none"> ✓ Recycle 60% of the organic compounds used in chemical production ✓ Recycle 62% of all general waste 	
DIVERSITY & INCLUSION	<p>Build an even more inclusive organization with a specific 2022 initiative focusing on cultural awareness across the organization</p> <p>Increase in share of underrepresented gender at senior management level²</p>	<ul style="list-style-type: none"> ✓ Build an inclusive organization with a first initiative focusing on unconscious bias across the organization ✓ Maintain an overall equal gender split for people managers globally 	
HEALTH AND SAFETY	<p>Lost time accidents frequency ≤ 5</p> <p>Not more than four high-consequence work related accidents with absence</p>	<ul style="list-style-type: none"> ✗ Reduce lost time accident frequency ≤ 5 	

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 more).

2) EVP, SVP and VP's

✓ Achieved
✗ Not achieved
○ On track

Unmet patient needs



The COVID-19 pandemic has demonstrated how effectively the global community can rally together to develop health solutions in record time. On the other hand, it has also shown that we still have a long way to go before good health and wellbeing become a reality for all people.

1 bn

people globally are estimated to live with at least one mental health disorder¹

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 continue to make 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 Lancet (2020), "GBD 2019 Diseases and Injuries Collaborators, 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."

Unmet patient needs

BRAIN HEALTH IN AN UNEQUAL WORLD

Brain health conditions are estimated to impact almost 3 billion people worldwide. From these 3 billion, 2.7 billion are impacted by neurological diseases (e.g. migraine, Alzheimer's disease, Parkinson's disease), 970 million people are impacted by mental health disorders (e.g. depression, anxiety, schizophrenia, psychoses) and 162 million by substance abuse.²

The socio-economic impact of brain disorders is increasingly being recognized. For example, the Lancet Commission on Mental Health and Sustainable Development estimated that mental health disorders will cost the global economy \$16 USD trillion from 2011-2030, which is more than cancer, diabetes and respiratory diseases combined.³

Despite its significant burden and impact, brain health remains under-prioritized even in "well-functioning" healthcare systems – and more so in countries with underfunded healthcare systems. The stigmatization of people with brain disorders aggravates the personal consequences for millions of ill people, their families and caregivers.

PROGRESS ON ACCESS TO BRAIN HEALTH

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. With more than 70 years' 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, socio-economic determinants or 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](#).

OUR SCIENCE AND INNOVATION

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. And we are one of the few companies in the world that focus exclusively on a commitment to persist in the extremely challenging space of brain health. See more in our Annual Report 2021 on our scientific achievements in 2021, and our strategic reorientation to discover and develop transformative medications for niche and rare brain disorders.

SPARKING AWARENESS IN PARTNERSHIP

In 2021, Lundbeck sponsored 12 global advocacy groups and their impactful awareness campaigns in the areas of brain health and research, neurology, and mental health. As an example, in September we were one of the sponsors of the International Association for Suicide Prevention's (IASP) work to mark World Suicide Prevention Day, reaching an estimated 180 million people on social media and 42 million people through other channels.

Lundbeck has also been a proud supporter of World Mental Health Day since 2015, working in close collaboration with our global and local mental health advocacy partners to raise mental health awareness and fight stigma. This year, we published a new position paper [Mental health in an unequal world](#) with

Lundbeck's views on the socio-economic determinants of mental health.

GIVING THE LIVED EXPERIENCE A VOICE

We partner with large organizations, but also people with brain disorders, their families and the healthcare community. A main event of the year is Lundbeck's #1VoiceSummit. It brings together a global and local patient empowerment community to exchange ideas, collaborate and partner up to find ways to amplify the voice of people with lived experience of brain disorders. This June, the event, which takes place annually, was held online and brought together nearly 80 advocacy groups from over 20 countries.

EXPANDING PRODUCT DONATION PARTNERSHIP

In May, we commenced our collaboration with International Health Partners (IHP) to initiate their first mental health program in the Middle East & Africa (MEA) region. Through our partnership with IHP, we will raise awareness of mental health conditions, provide access to underserved communities, and offer much-needed support to those living with brain disorders. 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 partners such as charitable clinics. Working closely with NGOs on the ground, IHP is able to facilitate and respond to the specific medical needs of some of the region's most vulnerable communities who would otherwise have no access to this kind of treatment.

In December, we signed a [Letter of Intent](#) to expand our partnership with IHP over the next three years. We will increase our activities and the number of patients that we are able to reach with the program.



ACCESS TO BRAIN HEALTH

More than 900 patients estimated to have been reached with our production donation partnership in low-middle income countries.

² The Lancet (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." The Lancet, Vol. 396, Issue 10258.

³ The Lancet (2020), "GBD 2019 Diseases and Injuries Collaborators, 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."

EXAMPLES OF HOW WE OFFER EDUCATION LOCALLY

BRINGING THE BEST KNOWLEDGE FORWARD IN JAPAN

To mark World Mental Health Day, Lundbeck Japan collaborated with the think tank Health and Global Policy Institute and Betatrip, Inc., which runs one of the largest community sites in Japan for people with depression and their families, to hold an online seminar for the general public on "How to Cope with and Help Others Handle Mental Health Stress". This multi-stakeholder event aimed at de-stigmatizing mental health and issuing knowledge on local mental health support systems through lectures from experts from the Japan Depression Center, the Mental Health Support Office and the Ministry of Health, Labor and Welfare. The 220 attendants also heard a patient speak about the lived experience of recovering from depression. 80% of attendants expressed satisfaction with the event.



WOMEN'S MENTAL HEALTH TELECONSULTATIONS IN PAKISTAN

ReliveNow is a Pakistan-based teleconsultation platform with 20+ psychologists and psychiatrists that provide virtual and affordable counseling, therapy, and psychiatric consultation that are easy to access and culturally apt. With support from Lundbeck, ReliveNow seeks to overcome the taboo associated with women's mental health. In 2021, ReliveNow hosted 5 events sponsored by Lundbeck such as "Start Talking: Depression - it's not just a phase" aimed at helping women to learn about depression, its symptoms and available interventions.

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 entails execution of a new global strategy in collaboration with patient advocacy groups and implementing 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

On Intellectual Property Day, 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.

See the **ESG Factbook** section of this report for Access to Health key performance indicators.



Elizabeth, Independence Center,
a Clubhouse in St. Louis, Missouri, USA



Lundbeck has been instrumental in helping us shape and grow our virtual programming, and in supporting our work elevating the voices of people with lived experience of mental illness. We appreciate Lundbeck's steadfast focus on brain health and look forward to continued collaboration in creating more mental health recovery opportunities for people around the world.



Joel D. Corcoran
Executive Director & CEO,
Clubhouse International

ABOUT THE PARTNERSHIP

Clubhouse International is a global non-profit that helps start and grow Clubhouses globally where people with mental health disorders can go to get their lives back. Clubhouses provide opportunities for friendship, employment, housing, education and access to medical and psychiatric services in a single caring and safe environment for those who need it most. The Clubhouse International network of over 300 Clubhouses in 32 countries provides recovery opportunities for approximately 100,000 people, annually. Clubhouses make a positive impact on the

care, support and social rehabilitation of people living with mental health disorders.

Over the past 3 years, Lundbeck has provided the network with a sponsorship of 100,000 EUR to strengthen the capacity of the organization, allowing it to effectively adapt to an online model for Clubhouse training and development. With many physical Clubhouses closed due to the COVID-19 pandemic, this online shift has been crucial in ensuring Clubhouses globally continued to provide support and care for their members.

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. In 2021, we reinforced the Code of Conduct Compliance Program that is brought to life by a global organization.

17

Regional Compliance Officers represent our affiliates in the Global Compliance Organization alongside the Headquarter compliance functions

92%

of all transfers of value from Lundbeck to doctors and other healthcare professionals is disclosed on public websites. This corresponds to 19,999 out of 21,842 interactions that took place this year. The disclosures are done across 36 countries, and are either mandatory or voluntary. We work continuously to decrease the share of transfers of value where we do not succeed in obtaining permission from the healthcare professional to disclose the value transferred.



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. sustains an ethical culture and prevents any form of corruption
- Protect the integrity of the healthcare professionals we work with and use transparency as an asset

Business ethics

REINFORCED 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 evolve. 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 2021, we reinforced the Compliance Program that is designed to ensure we uphold our Code of Conduct. It builds on the trust we have in our employees and is founded on Lundbeck's core belief "Responsible – we act with respect and integrity in everything we do".

The Compliance Program sets the actions in an improvement cycle, initiated by the annual management review in 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 functions in our headquarters.

INVESTING IN PEOPLE

Lundbeck's Senior Management are accountable and expected to act on current risks and priorities. In 2021, we invested in ensuring they have access to competent advice to make the right ethical decisions. Today, 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 2022, we are bringing everyone to Copenhagen for Lundbeck's 1st Global Compliance Summit to ensure we stay focused, connected and in development.

MAKING ETHICS EVERYBODY'S BUSINESS

These examples illustrate how our management and specialists aim to enhance business ethics at Lundbeck. However, their efforts are ultimately directed at our 5,300 employees working in more than 50 countries around the world. Therefore, we invest heavily every year in developing training and awareness activities that can transform these principles into ethical actions.

This year's Code of Conduct e-learning was launched with a supporting message that all leaders are expected to be role models – also in ethics and compliance. It called on them and their teams to make a pledge to the Code of Conduct. This started a creative avalanche under the hashtag #MyPledge, which ended up going viral on Lundbeck's internal Yammer channel.

MANAGING CHANGE IS BUSINESS AS USUAL

An agile compliance design like Lundbeck's is needed to stay attuned with the constantly evolving societal expectations, changing regulatory requirements and enforcement within a highly-innovative industry. As an example, we updated our Compliance Hotline investigation procedure. The new procedure is more

accessible for our employees and reflects the EU Directive 2019/1937 on protecting whistleblowers that entered into force in 2021.

Keeping pace with change is particularly relevant within fast-moving, innovative digital technologies. Here clear and concise principles work better than detailed procedures. In 2021, we defined our Data Ethics Policy as a response to an update in the Danish Financial Statements Act. The policy shall help us make ethical and responsible decisions on the use of data with minimal harm for individuals and society.

Lundbeck processes data for well-defined purposes that ultimately aim to improve the lives of patients. We have implemented rigorous controls to ensure adherence with our Data Privacy Policy. The Data Ethics Policy adds to these controls and is particularly relevant in the design of digital technologies. It applies to the processing of personal data from patients, partners and our employees as well as non-personal data, e.g. production and market data.

Ethical aspects of new digital technologies are assessed in consultation with our specialists within data privacy and ethics. The assessment considers stakeholder expectations, risks and benefits to individuals of the data use. Lundbeck will routinely monitor the effectiveness of the policy as part of our Compliance Program. You can read our [Data Ethics Policy](#) on Lundbeck.com.

See the [ESG Factbook](#) section of this report for Code of Conduct key performance indicators.



99.7%

BUSINESS ETHICS COMPLIANCE

99.7% employees completed the annual e-learning on the Code of Conduct.

CODE OF CONDUCT #MYPLEDGE

Every year, all employees are trained in the principles of the Code of Conduct.

This year, the annual Code of Conduct e-learning was launched with a supporting message that all Lundbeck leaders are expected to be role models - also in ethics and compliance. It called on them and their teams to make a pledge to the Code of Conduct.

The idea started a creative avalanche under the hashtag #MyPledge. Over the course of a month, more than 200 pledges were posted on Lundbeck's internal Yammer channel by teams and employees across our global organization.

The record-breaking engagement and creativity showed that compliance is indeed everybody's business. And once again, we reached a satisfying full completion rate of this year's Code of Conduct e-learning.



Lundbeck employees and managers sharing their compliance pledge with their colleagues.

Climate change & circularity

Historically, Lundbeck has demonstrated its commitment to cut carbon emissions. We have a responsibility to act, now more than ever. That is why we are committed to circular principles and net-zero emissions.

7th

consecutive year of achieving a Climate Disclosure Project (CDP) Leadership score. 13,126 companies worldwide disclosed climate change data to the CDP in 2021. Lundbeck got an "A" score and is placed amongst the 1.5% best-scored companies globally.



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 LEAD ON CLIMATE ACTION

Climate change is undoubtedly one of the largest, shared challenges faced by our planet. Lundbeck has a history of being at the forefront of corporate leadership on climate change and we believe that we have a responsibility to act in a way that is in balance with nature.

In February this year, with the launch of the 2021 Sustainability Report, we announced a new science-based target towards achieving net-zero carbon emissions across the entire value chain. Our objectives include reducing our own emissions by two-thirds and our value chain footprint by almost a fifth in the next 15 years. The targets are consistent with the reductions required to keep global warming to a maximum of 1.5°C. This is what the scientists and experts in the IPCC tell us is needed to prevent the most damaging effects of climate change.

PROGRESS ON 15-YEAR TARGETS

We can report significant progress on reducing scope 1 and 2 emissions and have achieved a 16% reduction against the baseline year 2019. This is mainly due to fewer emissions from company cars, as sales employees have been on the road less due to the COVID-19 pandemic.

We did see a small rise in fleet emissions in 2021 vs. 2020 as lockdowns lifted and business began to return to normal. We expect fleet emissions to rise further and new car policies have been agreed to counter this.

With regards to scope 3 emissions, we estimate increased emissions by 26% compared to the baseline year of 2019. This uncertain estimated increase is due to the fact that we currently calculate the majority of our emissions based on spend data and we have increased our clinical trial and other service purchasing as part of our business strategy. In 2021, a detailed action plan for scope 3 has been developed, including plans to progress actual emission data collection and setting reduction targets with our main suppliers. With this plan, we are confident that we will reach our 15-year reduction target.

EMISSIONS IN OUR VALUE CHAIN

Our biggest footprint outside of our fence stems from purchasing goods and services such as clinical trials, marketing, raw materials & packaging, distribution and business travel. To reduce our footprint, we work in collaboration with our suppliers and help them to reduce emissions – or we will choose new suppliers and solutions with a smaller footprint. Across the responsible functions in Lundbeck, we have appointed project managers to lead the change and from 2022 going forward climate targets will be integrated into the performance review of a growing number of employees and managers.

Collaboration with the largest of our partners/suppliers in each area has already yielded good results in finding ways to reduce emissions. For instance, with one of our long-standing clinical trial partners, we have identified that the digital

experience gained with remote monitoring of clinical trials during the pandemic can also be used to limit the need to fly out to each location and reduce the carbon footprint going forward.

GREENING TRAVEL

In December 2021, Lundbeck's Executive Management approved a [Global travel policy](#),

covering an area that had previously been managed locally. The new policy sets out the key principles for business travel in Lundbeck's global organization considering our climate commitment. The policy will be implemented by promoting climate awareness among employees, setting targets for all Executive Vice Presidents, monitoring emissions and putting effective controls in place.



PROGRESS ON 15-YEAR CLIMATE TARGETS

- 16% reduction in scope 1 & 2 carbon emissions vs. 2019 SBTi target baseline
- 26% estimated increase in scope 3 carbon emissions vs. 2019 SBTi target baseline

3 ELEMENTS IN LUNDBECK'S NEW CLIMATE TARGET

- Commit to carbon neutrality no later than 2050
- Further reduce carbon emissions from production and fleet drastically by almost two-thirds over the next 15 years¹
- Work with our suppliers and customers to reduce our carbon footprint outside our premises by nearly a fifth over the next 15 years²

1) Reduce scope 1 and 2 CO₂e emissions by 63% in 2034 compared to 2019.

2) Reduce a share of scope 3 CO₂e emissions by 19% in 2034 compared to 2019.

ORDER IN OUR OWN HOUSE

In 2021, our new science-based target accelerated our effort to reduce our own emissions. Site power and heat together with our company cars make up our scope 1 & 2 emissions. Since 2006, we have cut more than 70% of our emissions from our sites. This means we must be very innovative to reach the new target and cut two thirds of the remaining emissions. Steadily pursuing increases in energy efficiency remain a part of our environmental management. In

2021, we saw an increase in our energy consumption at our sites due to start up challenges with a new air treatment system. We also consumed more district heating at our production site in Valby. We intend to continue to increase energy efficiency going forward, and increase the use of renewable energy.

This year, we defined roadmaps that will form the basis for our low carbon transition plan which we will disclose in 2023. The main elements are changing

our energy sources to renewable electricity or other renewable fuels, primarily using Power Purchasing Agreements (PPA).

SOLAR POWER IN DENMARK

A new solar park built following an agreement between Lundbeck and the energy provider Better Energy is now connected to the power grid. As of January 2022, 100% of Lundbeck's electricity consumption in Denmark is matched by the solar park's production.

GREENING THE FLEET

Another element in our roadmap to tackle our own emissions is the implementation of new green car policies that incentivize the transition to electric vehicles. Since the infrastructure of charging stations needs to appropriately accommodate our driving sales force and other employees, the transition will be faster in Europe than in the U.S. and Canada. In 2021, the Headquarter's car policy was updated requiring cars in the Lundbeck fleet to be at least an A+ in the EU energy efficiency classification system.

The company car policies will be revised in 2025 and at regular intervals to account for the fast pace of technological advances and regulation in this area.

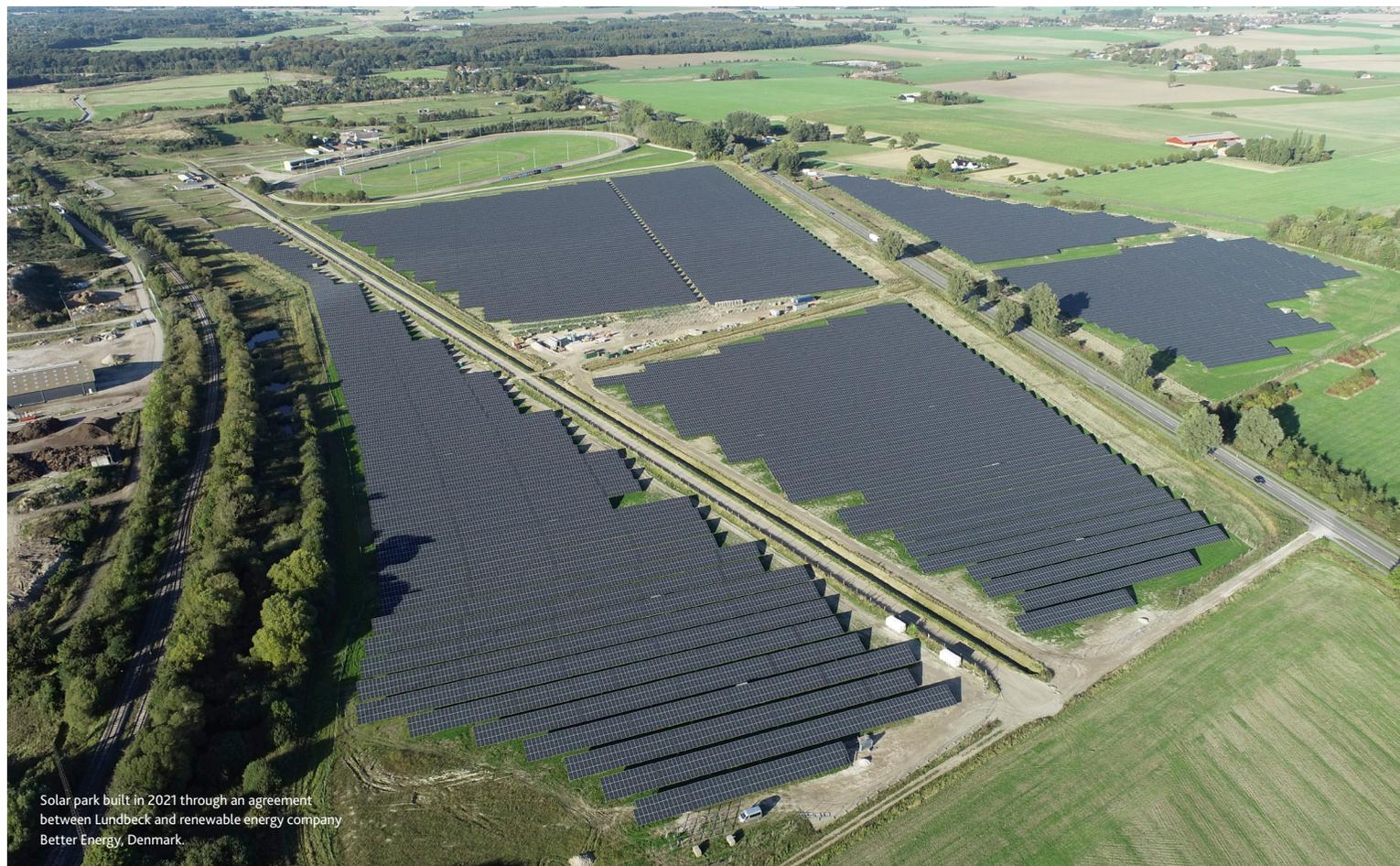
CIRCULARITY THAT DELIVERS ON CLIMATE

During the year, a number of results have demonstrated that circularity can deliver on both resource recycling and on reducing climate emissions.

Identifying the main contributors to climate emissions in the development of a chemical process is of critical importance. Here the process steps, materials and discharges can still be changed. Our Italian colleagues in Padova have developed a model for assessing the climate emissions, while developing chemical production processes for new compounds. Many early-stage developments never reach full production scale. Therefore, the assessment method needs to be readily useful and applied every time to have effect. With the new method, our developers can calculate and compare the carbon footprint of different chemical processes. This allows them to identify the major contributors and to model the chemical process that gives the lowest footprint.

RECIRCULATING CHEMICAL WASTE

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. We set targets each year to improve and in 2021, we are proud to report that we outperformed the target to recover 60% of the



Solar park built in 2021 through an agreement between Lundbeck and renewable energy company Better Energy, Denmark.

organic compounds used in chemical production and achieved 65%. This year we have also carried out an investigation of possibilities for increasing internal recovery at our production facility in Lumsås, which we will continue to pursue along with opportunities for collaboration with innovative, external partners.

RECOVERING RARE RESOURCES

Another example of climate action via circularity from 2021 is Lundbeck's innovative palladium recovery. In the production process of the Active Pharmaceutical Ingredient for one of our products, Lundbeck uses a palladium catalyst to ensure the correct chemical transformation. Palladium is a rare earth metal with a huge climate footprint. In collaboration with an Italian specialist company, Lundbeck has developed a recovery process. More than 75% of the palladium is expected to be recovered and reused in the production process. The recovery and reuse of the palladium ensures a CO₂e reduction of more than 142 tons CO₂e/year. Furthermore, a spin-off effect from the optimization is the possibility to recover more than 200,000 liters of toluene from the process with a scope 3 CO₂e reduction of more than 300 tons CO₂e/year.

WASTING LESS

We have also made good progress on increasing the recycling of general waste. In 2021, we found ways to utilize unused raw materials from our production such as sugar, maize and potato starch instead of sending them to incineration. Approx. 25-30 tons of these materials are now being circulated at a bio-pulp plant and turned into a raw material for biogas production. However, an increase of waste sorting of packaging materials has not been possible in 2021 due to major rebuilding of the packaging plant air-lock at the Valby site, Denmark. When completed in Q1 of 2022, we will be able to increase sorting and recycling of packaging materials.

Collectively, these efforts together with others to increase recycling means that in 2021, we have sent 105 tons less waste to incineration. In 2022, we will

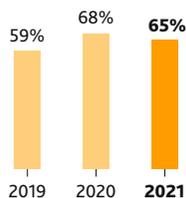
increase the focus on general waste even though the amounts are relatively small, and we have set a target to recycle 70% of all general waste, excluding building waste.

IDENTIFIED WATER SAVING POTENTIAL

We work continuously to reduce our consumption of water and wastewater and have significantly done so over many years. Our savings on water consumption are due to technological improvements and various optimization activities on our production sites. In 2021, we have been mapping our water consumption to identify even more reduction potentials. The mapping showed that the discharge of purified

water holds significant reduction potential and we will focus our efforts here in the coming years.

See the **ESG Factbook** section of this report for Environmental management, Climate and Energy and Circularity key performance indicators.



Chemical recycling

65%

RECYCLING CHEMICAL WASTE

We outperformed the target to recover and reuse 60% of the organic compounds used in chemical production. Targets are set annually based on expected production volume and mix.



Jørgen Wiberg (left), Calibration Technician, and Thomas Tingleff (right), Maintenance Technician, Lundbeck production site, Lumsås, Denmark

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, tacking action on gender equality, unconscious bias, and contributing to the communities where we do business.

5,300 employees as diverse as the patients we serve



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



People & communities

BUILDING AN INCLUSIVE ORGANIZATION

To ensure that we reflect the diversity of our patients and their needs, we are focused on creating the context, culture and systems where all Lundbeck employees - no matter who and where they are - can be their authentic self and perform at their best. We believe that is the shared responsibility for all public or private, small or large employers. Additionally, Lundbeck wishes to demonstrate leadership when it comes to inclusion and understanding of neurodiversity: we are committed to building an inclusive culture in Lundbeck – also for people living with brain disorders.

The overall aim of Lundbeck's Diversity & Inclusion (D&I) program is to build an even more inclusive organization where belonging is stronger and equal opportunities are proven. We strongly believe that if we build an inclusive organization, diversity will follow.

The first important milestone in 2021 was to accelerate the conversation on diversity and inclusion in Lundbeck. This included a conversation led by our CEO Deborah Dunsire on what D&I means to each of us, where she and employees across the organization shared their personal view. We also ran a number of conversations with a focus on homegrown talents, working in multinational teams, integrating company cultures, etc.

BETTER AWARENESS OF BIASES

Our awareness program also has an educational part. In December 2021, we launched an 'Unconscious bias' e-learning program, which helps employees

become better aware of biases, acknowledge biases and present tools to act on biases. This program was mandatory to all employees across the world. We also have a focus on ensuring a diverse perspective in our recruitment set-up and processes.

We have strengthened the governance and management of D&I at Lundbeck in 2021. Our D&I strategy is in place along with a governance structure that ensures our focus on building an inclusive organization both on a global and on an affiliate level. Our global D&I Council met two times this year, and we established local D&I Forums in 4 affiliates, including the U.S., Canada, China and Denmark, with regular meetings focusing on local matters. We aim to establish more local D&I Forums in the coming years to ensure a local anchor in the D&I movement.

GENDER EQUALITY

For some years, we have measured the gender distribution in managerial positions. We have established a target to maintain an overall equal gender split for people managers globally. In 2021, the proportion of female managers was 42% and the gender split for all employees was 55/45% female/male.

Lundbeck's Board of Directors has a gender equality target for the members elected by the shareholders. The target is to maintain equality in accordance with Danish legislation. In 2021, there were two female board members out of seven members elected by the shareholders, thus meeting the target. One out of three board members elected by Lundbeck's employees was female.

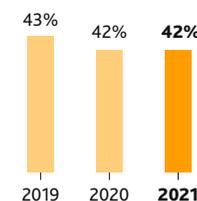
SATISFIED EMPLOYEES

Lundbeck is a people business, and employees' health and safety has been and continues to be a top priority. In the first quarter of 2021, Lundbeck carried out its annual Employee Satisfaction Survey (ESS) for all employees globally and achieved a record-breaking 95% response rate. Workshops to discuss the input and agree on actions have been conducted locally. Lundbeck remains in the top 5% of comparable, international workplaces on several of the rated parameters, though we do see a slight decrease in some scores from 2020 levels. In 2021, giving and receiving feedback was identified as an area for improvement and resulted in the launch of companywide training to address employee concerns in this area.

The ESS scores reflect strong satisfaction with jobs, rewards and recognition, Lundbeck's image and satisfaction with immediate managers. This is reflected in the fact that we have been awarded several employer recognitions throughout the year: Lundbeck Italy, Lundbeck Canada, Lundbeck U.S., Lundbeck China, Lundbeck Valbonne (production site, France), and Lundbeck's Global Service Center in Krakow, Poland to mention some of the sites which have qualified as a "Great Place to Work".

DEVELOPMENT AND RETENTION OF TALENT

All Lundbeck employees globally are appraised annually and have individual development plans which provide development feedback and set the direction of development opportunities and activities. Employees can find guidance on career and



Diversity & Inclusion

42%

WOMEN IN MANAGEMENT

The level of women in management is high with a gender split for people managers globally of 42% women and 58% men.

competence development via Lundbeck's development portal as well as a variety of training on Lundbeck's internal learning platform. As of 2022, the development portal will be enhanced with on demand training tailored to individual needs as well as access to LinkedIn Learning. Additional training is funded on a per-needs basis as decided by people managers. Moreover, Lundbeck has in place three global talent management programs for all career paths depending on job level (entry level, specialist, manager/director) as well as an onboarding program for new leaders.

HEALTH & SAFETY

Lundbeck has seen an increase in work related accidents with absences amounting to 24 this year, compared to 20 last year where there were less activities on our sites because of COVID-19 measures.

Each accident has been root cause analyzed and preventive actions have been implemented. We were, however, not successful in reaching our 2021 target of a frequency of lost time accident rate below 5, with a rate for the full year of 6.5. We see a trend that some of the accidents are related to ergonomics (e.g. lift, over-exertion) as well as injuries from trip, slip and falls. Plans for preventive actions will be set up and a new incident database will make it easier to report accidents and near misses, allowing for timely and targeted preventive actions.

Six of the accidents this year unfortunately are so-called high-consequence work related accidents with absence, that results in an injury from which the employee is not expected to recover fully to pre-injury health status within six months. As of this year, we report on this KPI for added transparency.

OPERATING SAFELY IN A PANDEMIC

Since the outbreak of COVID-19, we have been taking necessary precautions to ensure that we can continue to provide treatments for an estimated 7 million people daily. We have also had increased focus on our employees' mental health in these uncertain, unusual

and unsafe times. To boost resilience, Lundbeck provided a short series of specific training to address mental health challenges, which everyone was encouraged to take. Employees also have access to a stress prevention platform.

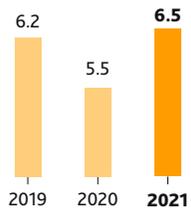
Now when slowly returning to work physically, information on re-boarding the employees has been prepared to ensure a safe and healthy work environment. Our annual Employee Satisfaction Survey was testament to how our employees felt informed and safe at work during the pandemic.

See the **ESG Factbook** section of this report for People key performance indicators.

PART OF LOCAL COMMUNITIES

The pandemic has tested many communities to breaking point around the world in 2021. Being part of communities also means helping out in hard times.

In collaboration with other area life sciences organizations, Lundbeck U.S. funded a vaccine program for a high-risk, underserved local neighborhood near the Lundbeck Chicago site. Due to the mass vaccination site and 70 additional mobile events, the local health department and their partners were able to administer roughly 3,000 doses of the vaccine. In addition to funding, volunteers from Lundbeck served alongside the vaccination team. This is just one example of how Lundbeck helps build communities in the more than 50 countries in which we operate.



Health & safety

6.5

FREQUENCY OF LOST TIME ACCIDENTS

We have seen an increased frequency of lost time accidents this year compared to previous years. Even though a smaller share of the accidents were serious, we are determined to bend this curve.

EVERY BRAIN IN THE GAME

On Friday 20 August, more than 500 employees at our headquarter site in Denmark celebrated our very first Pride event at the premises. In the same week, thousands of people from near and far joined the World Pride events in Copenhagen and Malmö to celebrate the LGBTQ+ community and pave the way to a more equal and inclusive world. Unfortunately, COVID-19 limitations restricted us from joining the official Pride Parade in Copenhagen. Instead we showed our support by holding our own event in the main street of Lundbeck in Valby.

Dressed in Lundbeck t-shirts in all colors of the rainbow flag around 500 colleagues walked in unity from the reception to the Main Gate. Deborah Dunsire kicked off the event with a short talk on how we are committed to having

every brain in the game to restore brain health and making an inclusive environment, where people can bring their best self to work.



PAYING TAXES WHERE WE CREATE VALUE

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

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 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 profits being taxed in the country where the economic activities generating the profits are performed and where the value is created.

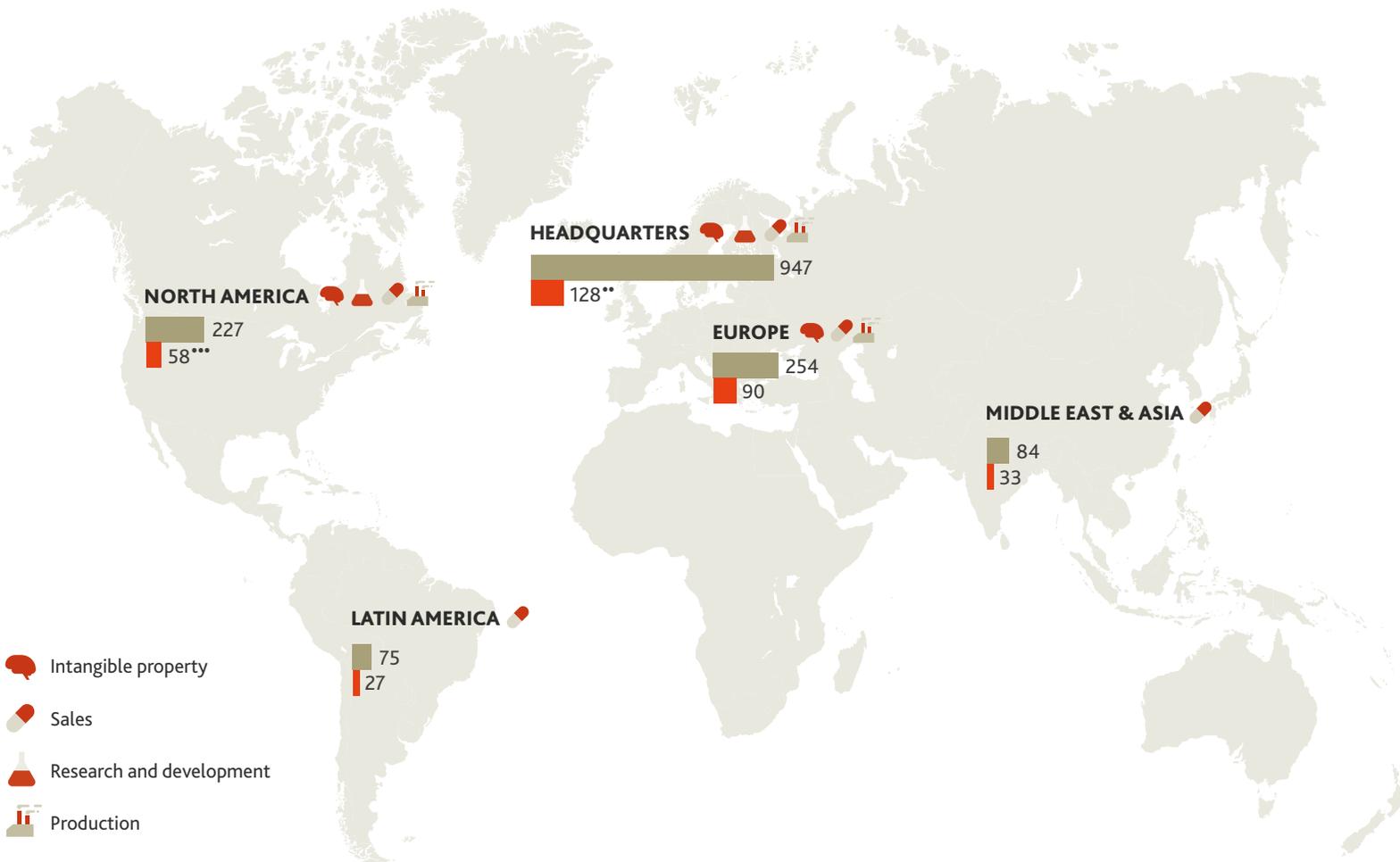
TAXATION OF ACTIVITIES

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.

2021 CORPORATE TAX PER REGION

2021 corporate tax amounts to DKKm 336.4* of that, our ten largest markets account for DKKm 248.8 (74%) and the rest of the world accounts for DKKm 87.6 (26%)



- Intangible property
- Sales
- Research and development
- Production

* Profit before tax and corporate income tax are disclosed before elimination of intra-group transactions and value adjustments of tax assets and therefore differs to the consolidated figures in the Annual Report.

** The Danish Corporate Income tax is impacted positively by tax free dividends from subsidiaries and by Research and Development Incentives. During 2021 H. Lundbeck A/S invested DKKm 3,600 in Research and Development.

*** The disclosed corporate tax does not include value adjustment of deferred tax asset of DKKm 82.

- Profit before tax (DKKm)
- Corporate income tax for the year (DKKm)

ESG Factbook

We continuously set ambitious targets, report on progress and disclose a set of externally assured, non-financial indicators across all areas of corporate sustainability and business ethics compliance. This Factbook offers sustainability analysts detailed facts, figures and references on how we govern, manage and monitor sustainability at Lundbeck. The Factbook covers Environmental, Social and Governance (ESG) data.

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- 39 Management statement regarding the 2021 Sustainability Report
- 40 Independent limited assurance report



Introduction to ESG Factbook

This ESG Factbook contains our consolidated sustainability statements. It provides targeted information on our Environmental, Social and Governance (ESG) and sustainability management and performance. You will find facts and figures, status on targets, and reference guidance on where to find further information.

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 STRATEGY

Lundbeck's sustainability activities aim to mitigate 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.

ESG MANAGEMENT AT LUNDBECK

Environmental, Social and Governance (ESG) on a corporate level is managed by Corporate Compliance & Sustainability, and on a topical level by selected 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.

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.

GOVERNING DOCUMENTS

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 this ESG Factbook under the respective issue.

OUR 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 issue on [page 7](#).

ESG ACHIEVEMENTS IN 2021

Lundbeck continuously makes a concerted effort to report relevant information for investors and analysts. In 2021 this has resulted in strong ESG ratings. Among our achievements are:



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Environmental responsibility

Our research, development and production activities are largely based on chemical synthesis, meaning we use considerable amounts of organic compounds and energy, generating waste and air emissions. Through diligent environmental management we seek to minimize any adverse environmental impacts, including impacts from the end-use of our medicines.

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 2021, the HSE policy was updated to include new stakeholder expectations, new legislation and to better reflect our significant HSE aspects. Updates reflect our commitment to 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

We have 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 14001:2015](#) standard.

In 2021, we had no incidents with an impact on the environment that we have had to report on in accordance with the terms of our environmental permits. We had 7 environmental incidents without an impact on the environment and an increase in near misses to 42 compared to 34 in 2020. We take every incident very seriously and thorough root cause analysis has been carried out in each case to learn and prevent repetition.

PHARMACEUTICAL RESIDUES

We acknowledge stakeholder concerns about pharmaceutical residues in the environment. Residues mainly come from patients' excretion of

medicine. 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.

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](#).

Environmental management

KEY PERFORMANCE INDICATOR	Unit	2019	2020	2021	Notes
Environmental incidents	No.	4	7	7	
Environmental incidents with impact on the environment	No.	0	2	0	
Environmental near miss	No.	43	34	42	

Sustainability accounting policies - definitions

Environmental incidents	An environmental incident is an unintended release to the environment.
Environmental incidents with impact on the environment	Incidents have an impact on the environment only if severity is assessed as "Large" (Essential exceeding of environmental permit with consequence to the environment) or "Catastrophic" (Uncontrolled emission to the environment with consequence to the environment) in internal risk assessment.
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

KEY PERFORMANCE INDICATOR

	Unit	2019	2020	2021	Note
Revenue	DKKm	17,036	17,672	16,299	
Finished goods production	Million Units	3,186	3,551	3,775	1
Chemical production	Tonne	406	369	417	
Raw materials	Tonne	4,127	3,874	3,723	
<i>Organic compounds</i>	Tonne	4,043	3,793	3,663	
<i>API</i>	Tonne	75	72	54	
Waste	Tonne	14,156	15,025	16,590	
Chemical waste	Tonne	12,900	13,577	15,187	
<i>Recycling</i>	Tonne	1,217	1,256	1,095	
<i>Incineration</i>	Tonne	7,057	6,507	6,923	
<i>Biological treatment</i>	Tonne	4,626	5,815	7,160	
<i>Landfill</i>	Tonne	-	0	0	
General waste	Tonne	1,256	1,448	1,403	
<i>Recycling</i>	Tonne	769	985	1,043	
<i>Incineration</i>	Tonne	487	459	354	
<i>Landfill</i>	Tonne	N/A	4	6	
Recycling rate - Organic compounds	%	59	68	65	2
Recycling rate - General waste	%	61	68	74	3
Water consumption	m³	285,671	236,810	223,339	4
<i>Potable water</i>	m ³	195,289	181,093	174,711	
<i>Unfiltered water</i>	m ³	90,382	55,717	48,628	
Waste water	m³	252,219	201,937	186,586	

Sustainability accounting policies - definitions

Revenue	See Annual Report 2021.
Finished goods production	Production units (e.g. one tablet or one ampoule).
Chemical production	Chemical production of Active Pharmaceutical Ingredients (API).
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).
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. Waste is generally reported on the basis of invoices received from waste handlers. Incinerated waste water from chemical production processes is treated as waste - hence 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.
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, 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 ground water/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.

1) 2019 and 2020 data updated

2) New KPI added to reporting in 2021. Data for 2019 and 2020 based on estimated share of external recovery that is recycled.

3) New KPI added to reporting in 2021

4) 2020 data updated

CLIMATE AND ENERGY MANAGEMENT

Lundbeck is committed to achieving a zero-carbon economy and setting science-based targets. In 2020, we had a new science-based target approved. See the [Climate change & circularity](#) chapter of this report.

EU TAXONOMY

Lundbeck is not eligible to report under the current EU taxonomy for sustainable activities, as it relates

only to industries with business models focused on generating revenue from activities that make a substantial contribution to the mitigation of climate change or environmental damage. Our business model is focused on generating revenue from activities that contribute to sustainable activities related to healthcare and will not be eligible until a social impact dimension of the EU taxonomy is developed.

Climate and Energy

KEY PERFORMANCE INDICATOR	Unit	2019	2020	2021	Note
Greenhouse Gas Emission					
<i>Scope 1 GHGs</i>	Tonne CO ₂ e	29,025	22,050	24,689	
<i>Scope 2 GHGs (location based)</i>	Tonne CO ₂ e	17,745	14,861	15,798	1
<i>Scope 2 GHGs (market based)</i>	Tonne CO ₂ e	9,405	8,480	7,486	1
<i>Scope 1&2 GHGs (market based)</i>	Tonne CO ₂ e	38,429	30,530	32,174	2
<i>Scope 3 GHGs: Purchased goods and services</i>	Tonne CO ₂ e	99,375	123,589	133,445	1
<i>Scope 3 GHGs: Up-stream transportation and distribution</i>	Tonne CO ₂ e	11,815	12,858	12,491	1
<i>Scope 3 GHGs: Business travel</i>	Tonne CO ₂ e	6,733	2,950	2,587	1
VOCs emitted to air	Tonne	45	39	24	
Energy consumption	MWh	99,605	101,165	108,040	3
<i>Natural gas, methane, city gas, F-gas</i>	MWh	33,060	33,961	36,521	
<i>Gasoil, biooil, diesel</i>	MWh	12,027	12,882	13,018	
<i>District heating</i>	MWh	12,925	12,771	15,148	3
<i>Electricity</i>	MWh	41,593	41,551	43,353	
Renewable energy share	%	50.5	52.9	54.2	1

1) New KPI added to reporting in 2021

2) 2019 and 2020 data updated with company cars now part of scope 1 reporting

3) Data for 2020 updated

Sustainability accounting policies - definitions

Greenhouse Gas Emission

Amount of calculated greenhouse gas (GHG) emitted to air reported in CO₂e.

Scope 1 GHGs

Direct scope 1 emissions include greenhouse gas emissions (GHG) that occur related to energy from Lundbeck's four production sites and four additional Lundbeck sites. Includes 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 UK Department for Environment, Food & Rural Affairs (DEFRA).

Emissions from Lundbeck's owned or controlled vehicle fleet is provided directly by the associated leasing company or calculated based on consumed fuel multiplied with relevant emission factors. Primary data from an estimated 43% of the company cars are retrieved and used to estimate 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 at Lundbeck's four production sites and four additional Lundbeck sites. All consumed energy is monitored by building specific meter readings and invoices if meter readings not available.

The emissions are reported as location based and 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 on all Lundbeck sites. 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 only include three targeted GHG-protocol categories; 'Purchased goods and services', 'Upstream transportation and distribution' and 'Business travel'.
Scope 3 GHGs: Purchased goods and services	<p>Purchased goods and services is divided into subcategories of product and non-product.</p> <p>Emissions related to purchased products are estimated based on acquired quantities multiplied with appropriate emissions factors supplied by the Ecoinvent database.</p> <p>Emissions related to purchased non-products are based on financial spend in USD multiplied with relevant spend-based emission factors supplied by the EEIO database.</p>
Scope 3 GHGs: Up-stream transportation and distribution	<p>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.</p> <p>All emissions related to the category are converted and calculated as well-to-wheel greenhouse gas emissions.</p>
Scope 3 GHGs: Business travel	<p>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.</p> <p>Flight related emissions are provided by associated travel agencies, covering 80% of total activity. The last 20% has been extrapolated.</p>
VOCs emitted to air	Volatile Organic Compounds (VOCs) emitted to air from all four of our production sites. An insignificant share of the VOCs from Lundbeck's production have a global warming potential (according to IPCC) and the VOCs are therefore not reported as part of our scope 1 GHG emissions.

Sustainability accounting policies - definitions (continued)

Energy consumption	Consumed energy is monitored by building specific meter readings or invoices if meter readings are not available, across our four production sites and four additional Lundbeck sites.
Renewable energy 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 across four production sites and four additional Lundbeck sites.

Status on 2021 sustainability targets

2021 TARGET	Status	Comment	SDG
Reduce total carbon footprint across own operations, supply and distribution in line with our science-based targets			
<i>Reduce scope 1 and 2 CO₂e emissions by 63% in 2034 compared to 2019</i>	On track	Reduction of 16% compared to the baseline.	
<i>Reduce a share of scope 3 CO₂e emissions by 19% in 2034 compared to 2019</i>	On track	Increase in estimated emissions of 26% compared to the baseline. Action plan for 2022 onwards in place to reduce emissions.	
Recycle 60% of the organic compounds used in chemical production	Achieved	We have recycled 65% of the organic compounds.	
Recycle at least 62% of all general waste	Achieved	We have recycled 74% of general waste.	

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. 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 Climate Disclosure Project (CDP). In the table to the right is a summary and reference index. You can find our latest full [CDP disclosure](#) on Lundbeck.com.

SUMMARY AND REFERENCE INDEX OF LUNDBECK'S TCFD REPORTING

	Governance	Strategy	Risk management	Metrics and targets
A	<p><i>Describe the board's oversight of climate-related risks and opportunities.</i></p> <p>The CEO has the overall responsibility of the sustainability strategy and presents major decisions to the board when relevant. CDP 1.1a and 1.1b</p> <p>A key risk overview is reviewed by our Audit Committee and shared with the Board of Directors. CDP 2.2</p>	<p><i>Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.</i></p> <p>Our 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. CDP 2.3a and CDP 2.4a</p>	<p><i>Describe the organization's processes for identifying and assessing climate-related risks.</i></p> <p>Risks on both company and asset level, covering both direct operations and our upstream and downstream value chain, are identified and managed in our corporate risk management system.</p> <p>The Risk Office assesses the overall risk exposure and discusses it with the Executive Management. CDP 2.2</p>	<p><i>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</i></p> <p>Emissions are reported annually in accordance with the Greenhouse Gas (GHG) Protocol (revised edition) in our CDP response and are broken down by type, country and business division. CDP 4</p>
B	<p><i>Describe management's role in assessing and managing climate-related risks and opportunities.</i></p> <p>Risks including related mitigating actions and opportunities are assessed regularly by the Executive Management and reviewed together with the Board of Directors. CDP 1.2a</p>	<p><i>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</i></p> <p>Risk and opportunities are impacting our business to become highly energy efficient, increase our use of renewable energy and to engage with suppliers to mitigate future physical and transitional changes and to exploit opportunities. CDP 3.3, 3.4 and 3.4a</p>	<p><i>Describe the organization's processes for managing climate-related risks.</i></p> <p>The Risk Office assesses the overall risk exposure and discusses it with the Executive Management. A key risk overview is reviewed by our Audit Committee and shared with the Board of Directors. CDP 2.2</p>	<p><i>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.</i></p> <p>Lundbeck discloses our Scope 1, Scope 2 and Scope 3 emissions through our CDP submittal and in our Sustainability Report on our Lundbeck.com. CDP 6</p>
C	N/A	<p><i>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</i></p> <p>We do prepare scenario analysis using climate modeling scenarios predicting temperature increases. In 2021, our process for this analysis was evaluated with a view to strengthen cross-functional involvement. CDP 3.2a</p>	<p><i>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</i></p> <p>See section A and B above. CDP 2.2</p>	<p><i>Describe the targets used by the organization to manage climate-related risks and opportunities.</i></p> <p>We have several targets to manage our climate-related risks and opportunities. See the Impact section of this report for our new science-based target. CDP 4.1a, 4.2b and 4.2c</p>

Management of social issues

In the social area, Lundbeck’s most material issue is product and patient safety which is very robustly managed and governed. Access to medicine is a key material area and we have launched a new 2030 Access to Brain Health strategy to develop our efforts further in the coming years. Human rights and labor conditions for people working for us and our business partners are an important part of our social responsibility.

ACCESS TO MEDICINE

For information on Lundbeck’s medicine 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**.

Access to Health

KEY PERFORMANCE INDICATOR	Unit	2019	2020	2021	Notes
Donated treatment in Low-Middle Income Countries	Patients	N/A	N/A	937	1

Sustainability accounting policies - definitions

Donated treatment in Low-Middle Income Countries

Number of patients estimated by dividing 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.

1) Initiated in 2020 and first donations made in 2021.
2) >40% considered equal.

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.

We use transport companies that have been risk assessed, audited if evaluated necessary and managed through service agreements.

We collaborate with customs authorities to surveil shipments claiming to contain Lundbeck products and engage with international organizations dedicated to fighting counterfeit medicine.

We also have channels dedicated to capturing concerns and complaints related to **product safety** and counterfeit medicine.

Status on 2021 sustainability targets

2021 TARGET	Status	Comment	SDG
Ensure all disease awareness sponsorships within psychiatry measurably support suicide prevention or mental health awareness	Achieved	All 12 corporate sponsorships increased awareness on mental health, including suicide prevention.	
Donate treatment for at least 900 patients in product donation partnerships in Low-Middle Income Countries (LMICs)	Achieved	Medicine for treatment of 937 patients produced, shipped and distributed to clinics in Lebanon, Gaza and the West Bank.	
Build an inclusive organization with a first initiative on rolling out a global training program on unconscious bias to all affiliates	Achieved	New D&I strategy approved by Executive Management. The entire organization trained in unconscious bias in Q4.	
Maintain an overall equal gender split for people managers globally ²	Achieved	Gender split for people managers globally was improved to 43/57% female/male.	
Reduce lost time accidents frequency to ≤ 5	Not achieved	Lundbeck’s lost time accidents frequency was 6.5 in 2021.	

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 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.

A COVID-19 emergency plan (Business Continuity Plan) for patient safety was activated in March 2020, and is still ongoing, with solid planning securing no disruptions in safety obligations, procedures or staffing over the year.

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.

In 2020 and 2021, there has been a reduction of physical audits due to the COVID-19 pandemic, so critical audits in our supply chain have been carried out through a combination of digital, physical and virtual audits.

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.

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 Strategy**.

Due to COVID-19, the efforts of the last two years have been directed at persons working on-site and those working from home. For persons who have had to come to work physically on-site, Lundbeck has taken all precautions to keep these people safe.

Lundbeck's corporate headquarters and our larger research, development and manufacturing facilities are certified to the **ISO 45001 standard certification**.

Health & Safety

KEY PERFORMANCE INDICATOR	Unit	2019	2020	2021	Notes
Work related accident with absence	No.	23	20	24	
Work related near miss	No.	554	470	449	
Work related accident without absence	No.	91	66	81	
Work related disease	No.	2	2	0	
High-consequence work related accident with absence	No.	9	5	6	1
Frequency of lost time accidents	Frequency	6.2	5.5	6.5	
Fatalities	No.	0	0	0	

1) KPI added to reporting in 2021

Sustainability accounting policies - definitions

Work related accident with absence	An undesired event or exposure that occurred suddenly and gives rise to personal physical or psychological injury and results in incapacity to work for one or more calendar 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 undesired event or exposure that occurred 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 from within 6 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 people who lost their lives as a result of a work related accidents. These accidents are included in the calculation of the Frequency of lost time accidents.

WORKING AT LUNDBECK

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. In 2020, we conducted training on respect in the workplace and updated our global [Diversity and Inclusion Policy](#). See the [People & communities](#) chapter of this report for 2021 activities.

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.

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.

For more information about working at Lundbeck, visit our [career pages](#).

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 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.

People

KEY PERFORMANCE INDICATOR	Unit	2019	2020	2021	Notes
Average employee remuneration	mDKK	0.80	0.87	0.86	
CEO/Employee ratio - without tax indemnification	Times	33.1	31.5	30.8	
CEO/Employee ratio - with tax indemnification	Times	78.1	34.6	70.7	
Gender balance - all employees	Female/male	53/47%	53/47%	55/45%	1
Gender balance - all people managers	Female/male	42/58%	42/58%	43/57%	1
Number of women on the Board (shareholder elected)	No. / Total No.	1/5	1/6	2/7	1

1) KPI added to reporting in 2021

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.

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.

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.

Gender balance - all employees

Includes all 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.

Number of women on the Board (shareholder elected)

The total number of women divided by the total number of members of the Board for H. Lundbeck A/S.

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.¹

Lundbeck is a longstanding member of the **Nordic Business Network for Human Rights** (NBNHR) moderated by the Danish Institute of Human Rights. In 2021, Lundbeck and 11 other member companies demonstrated their support for human rights due diligence legislation at EU level in a **joint statement** released in January.

Data privacy

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.

¹) <https://www.uhc2030.org/blog-news-events/uhc2030-blog/putting-mental-health-firmly-into-uhc-efforts-is-critical-to-the-success-of-uhc-and-will-reap-benefits-far-beyond-the-health-sector-555439/>

Governance and compliance

Our Code of Conduct Compliance Program ensures that relevant risks are identified, that procedures to manage them are established, understood and being followed, and that monitoring activities identify and manage needed improvements.

RESPONSIBLE BUSINESS CONDUCT

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 MANAGEMENT

Lundbeck's Compliance Committee, led by the Chief Financial Officer representing Executive Management and Senior management, supervises the development of Lundbeck's global Compliance Program. While Regional Compliance Officers, who report to the Chief Compliance Officer, are responsible for maintaining a Compliance Program covering 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 with corrective and preventive actions to ensure local management ownership and follow-up. An Audit Management Group coordinate across the corporate functions that are responsible for performing different types of audits.

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 patients and to their respective organizations. In 2021, we disclosed the value of 19,999 interactions with healthcare professionals across 36 countries where such disclosures are either mandatory or voluntary.

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](#).

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.

In 2021, our internal experts conducted 119 due diligence screenings to identify and mitigate 29 specific risks in relation to suppliers and third parties.

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.

COMPLIANCE HOTLINE

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. It safeguards the rights of individuals who report concerns, participate in investigations or are suspected of

Status on 2021 sustainability targets

2021 TARGET	Status	Comment	SDG
Annual Code of Conduct training completed by all employees globally	Achieved	Annual training launched in November. Achieved a 99.7% completion rate.	
Increase proportion of healthcare professionals supporting disclosure of collaborations compared to the previous reporting year	Not achieved	We maintained a high level of disclosure (92% this year, 93% last year), but were not successful in increasing the proportion.	

misconduct, including their right to confidentiality and protection against retaliation. The reporter can anonymously communicate with the investigator through the Compliance Hotline. Concerns that are substantiated are followed by proportionate corrective and preventive actions.

Our substantiation rate has over the past five years been in the range of 30% to 50%. 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.

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. Despite the ongoing global COVID-19 pandemic in 2021, we were able to maintain a similar level of monitoring activities as in 2020, since their virtual nature gave us opportunities to join more activities than what is possible physically. Due to travel restrictions, it was not always feasible to conduct physical audits for our third parties and suppliers, therefore such activities were postponed or replaced with remote reviews.

CLINICAL TRIALS

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.

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.

Code of Conduct compliance

KEY PERFORMANCE INDICATOR	Unit	2019	2020	2021	Notes
Total sum of all audits	No.	314	344	348	
Sum of internal audits	No.	132	212	210	
<i>Patient & product safety audits</i>	No.	75	71	46	
<i>Health, Safety & Environment audits</i>	No.	7	8	13	
<i>Business ethics and internal control audits</i>	No.	50	133	151	
Sum of audits of external partners	No.	182	132	138	
<i>Patient & product safety audits</i>	No.	166	120	106	
<i>Health, Safety & Environment audits</i>	No.	14	2	9	
<i>Third parties and supplier audits</i>	No.	2	10	23	
Compliance hotline reports	No.	28	24	21	
Completion rate of annual Code of Conduct e-learning	%	N/A	N/A	99.7	1

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.

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.

Business ethics and internal control audits

Compliance reviews, financial audits and reviews, audits and monitoring of field-based activities and employees.

Third parties and supplier audits

Compliance reviews 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.

Compliance Hotline reports

Reported concerns that involve legal, serious financial and reputational risks as specified at <https://www.lundbeck.com/global/compliancehotline>.

Completion rate of annual Code of Conduct e-learning

Includes all permanent and temporary employees, excluding employees on leave. Completed by 31.12.2021.

1) KPI added to reporting in 2021

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 Chairman (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.

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 in 2021.

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 discloses 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**.

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**.

FOUNDATION OWNERSHIP

The **Lundbeck Foundation** is Lundbeck's largest shareholder. It is a separate entity holding 69% of the share capital and voting rights. The Foundation's focus is on strengthening brain health and neuroscience through a series of research grants and collaborative research models. In addition, 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 groundbreaking impact on brain research.

Sustainability accounting policies

H. Lundbeck A/S is a privately held company with headquarters in Valby (DK).

We aim to develop our ESG data set to support our business and to disclose relevant and transparent information to our stakeholders. Several international ESG reporting frameworks are used as guidance in the data selection process (e.g. GHG Protocol, GRI, SASB). Key issues are identified through ongoing stakeholder engagement and trendspotting, informed by data-driven analysis and addressed by programs or action plans with clear and measurable targets. The issues presented in the Sustainability Report are deemed to have a significant impact on Lundbeck's future business performance and may support stakeholders in their decision-making. The accounting policies have been applied consistently for all the years presented. Any changes to historical data are only made if considered material.

REPORTING PERIOD

All reported data are covering a full year period (1 January to 31 December 2021).

SCOPE

The scope for ESG reporting data in the sections is as follows. Environmental management, Circularity - Resource flows, Climate and Energy and Health and Safety are our four production sites located in Valby (DK), Lumsås (DK), Valbonne (F) and Padova (I).

Data on energy consumption and emission of scope 1 & 2 GHGs covers both our four production sites and four additional Lundbeck sites (Krakow (PL), La Jolla,

Deerfield and Seattle (USA)). Scope 3 GHG emission data covers the entire business worldwide and value chain according to the GHG protocol. Data on Recycling - Organic compounds relates only to our two chemical production sites Lumsås (DK) and Padova (I).

The above reporting covers the Health, Safety and Environment (HSE) performance of all significant impacts relevant to Lundbeck's production and R&D processes. The reported HSE scope covers approximately 50% of all Lundbeck employees, but the reported data covers a significantly larger proportion of the Group's total values on the reported HSE KPIs in relation to emissions, resource flows and accidents. The remaining Lundbeck employees (primarily sales offices/sales reps.) are not in scope for HSE data.

The scope for Access to Health, People, and Code of Conduct compliance reporting is all sites and all employees.

Data from acquisitions and divestments are included or excluded to the reporting scope on 1 January, plus twelve months from the handover of the entire production facility.

DATA QUALITY AND CONSOLIDATION

The objective is to report our annual HSE data completely and accurately, and with a high degree of credibility. This includes systematic documentation and verification of the HSE data. Lundbeck has designed processes to ensure that the qualitative and quantitative information that documents the HSE

dimensions of performance is assured, as well as the systems that underpin the data and performance. For the HSE data gathered at local sites, the quality assurance process makes sure that all attached documentation is crosschecked and signed off by a local, qualified employee or management. It is a requirement that data must be traceable back to the primary source.

HSE data are collected using an operational scope. Most HSE data are all reported in the same consolidation system. However data on CO₂ emissions are reported in our Climate footprint model. Data on incidents are based on registrations in an online incident management system. Number of employees are pulled from an internal database by the end of the reporting year. Data is based on internal Lundbeck employees only and does not include external contractors.

For some HSE categories, data can be based on assumptions, due to lack of primary data. Using a corporate standard value (summary of last 12 months available), an estimated number is calculated in cases where exact data are not available. This will be clearly disclosed in the reporting. If any data (resulting in a significant change) are reported after the annual cut off date or are by mistake missing in the annual reporting cycle the numbers will be updated and a note added in next year's reporting.

All data presented follow the scope and policies above, unless otherwise specified in the accounting policies for the individual indicator.

DEFINITION OF INDICATORS

Accounting policies are stated along with the KPIs on pages 26-29, 31-33 and 36 and are part of the collective Sustainability Accounting Policies.

BUSINESS CHANGES IN 2021 AFFECTING DATA

None.

DISCONTINUED INDICATORS

- Cleansing agents have been discontinued due to lack of relevance.

REVISED/NEW INDICATORS IN 2021

- Scope 1 and Scope 2 reporting has been expanded to disclose emissions from "Scope 1 GHGs", "Scope 2 GHGs (location based)", "Scope 2 GHGs (market based)" and "Renewable energy share".
- Scope 3 reporting disclose emissions from "Purchased goods and services", "Up-stream transportation and distribution" and "Business travel".
- Accident reporting has been expanded to include the indicator "High-consequence work related accident with absence".
- Waste reporting has been expanded to include "Recycling rate - Organic compounds" and "Recycling rate - General waste".
- Number of women on the Board (shareholder elected).
- Gender balance - all employees has been added.
- Gender balance - all people managers has been added.
- Completion rate of annual Code of Conduct e-learning has been added (2021 data only).
- Donated treatment in Low-Middle Income Countries has been added (2021 data only).

Management statement regarding the 2021 Sustainability Report

The Board of Directors and the Executive Management have today considered and approved the 2021 Sustainability Report of H. Lundbeck A/S for the reporting period 1 January to 31 December 2021.

The ESG Data in the 2021 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 2021 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, 9 February 2022

REGISTERED EXECUTIVE MANAGEMENT



Deborah Dunsire
President and CEO



Lars Bang
Executive Vice President,
Product Development & Supply



Anders Götzsche
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
Chairman of the Board



Lene Skole-Sørensen
Deputy Chairman of the Board



Santiago Arroyo



Jeffrey Berkowitz



Lars Erik Holmqvist



Jeremy Max Levin



Ilse Dorothea Wenzel



Rikke Kruse Andreasen
Employee representative



Henrik Sindal Jensen
Employee representative



Ludovic Tranholm Otterbein
Employee representative

Independent Limited Assurance Report

To the Stakeholders of H. Lundbeck A/S

We have been engaged by H. Lundbeck A/S ('Lundbeck') to provide limited assurance on Selected Environmental, Social and Governance Data in accordance with the Sustainability Accounting Policies stated in the section "ESG Factbook" (pages 24-38) of the Lundbeck Sustainability Report 2021 for the period 1 January to 31 December 2021 and as positively referenced below in the section "Selected ESG data in scope" (the 'selected ESG Data').

OUR CONCLUSION

Based on the procedures we performed and the evidence we obtained, nothing has come to our attention that causes us to believe that the selected ESG Data in the Lundbeck Sustainability Report 2021 have not been prepared, in all material respects, in accordance with the Sustainability Accounting Policies stated on pages 26-29, 31-33, 36 and 38 in the Lundbeck Sustainability Report 2021 (the 'Sustainability Accounting Policies').

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

SELECTED ESG DATA IN SCOPE

The scope of our work was limited to limited assurance over the following selected ESG data:

- **Environmental Management** (Environmental incidents, Environmental incidents with impact on the environment, and Environmental near miss) on page 26;

- **Circularity – Resource flows** (Revenue, Finished goods production, Chemical production, Raw materials (Organic compounds and API), Waste, Chemical waste, General waste, Recycling rate - Organic compounds, Recycling rate - General waste, Water consumption (Potable water and Unfiltered water), and Waste water) on page 27;
- **Climate and Energy** (Scope 1 GHGs, Scope 2 GHGs (location and market based), Scope 1&2 GHGs (market based), Scope 3 GHGs (Purchased goods and services; Up-stream transportation and distribution; and Business travel), VOCs emitted to air, Energy consumption (Natural gas, methane, city gas, F-gas; Gasoil, biooil, diesel; District heating; and Electricity) and Renewable energy share) on page 28;
- **Access to Health** (Donated treatment in Low-Middle Income Countries) on page 31;
- **Health & Safety** (Work related accident with absence, Work related near miss, Work related accident without absence, Work related disease, High-consequence work related accident with absence, Frequency of lost time accidents, and Fatalities) on page 32;
- **People** (Average employee remuneration, Gender balance - all employees, Gender balance - all people managers, and Number of women on the Board (shareholder elected)) on page 33; and
- **Code of Conduct compliance** (Total sum of all audits, Sum of internal audits (Patient & product safety audits; Health, Safety & Environmental audits; and Business ethics and internal control audits), Sum of audits of external partners (Patient & product safety audits; Health, Safety &

Environmental audits; and Third parties and supplier audits), Compliance hotline reports, and Completion rate of annual Code of Conduct e-learning) on page 36.

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', both issued by the International Auditing and Assurance Standards Board'. Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

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 Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and 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 selected ESG Data needs to be read and understood together with the Sustainability Accounting Policies, 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 non-financial information 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 misstatements of the selected ESG Data. In doing so and based on our professional judgement, we:

- Made inquiries and conducted interviews with Lundbeck's Management with responsibility for management and reporting of the selected ESG Data, to assess reporting and consolidation processes, use of company-wide systems and controls performed;
- Checked data on a sample basis to underlying documentation, and evaluated the appropriateness of quantification methods and compliance with the Sustainability Accounting Policies for preparing the selected ESG Data;
- Conducted analytical review of the selected ESG Data and trend explanations submitted by all reporting entities for consolidation at Group level;
- Considered the disclosure and presentation of the selected ESG Data; and
- Evaluated the obtained evidence.

MANAGEMENT'S RESPONSIBILITIES

Management is responsible for:

- Designing, implementing and maintaining internal controls over information relevant to the preparation of the selected ESG Data that are free from material misstatement, whether due to fraud or error;
- Establishing objective Sustainability Accounting Policies for preparing the selected ESG Data;
- Measuring and reporting the selected ESG Data based on the Sustainability Accounting Policies and evidencing the data; and
- The content of the Lundbeck Sustainability Report 2021.

OUR RESPONSIBILITY

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the selected ESG Data for the period 1 January – 31 December 2021 are free from material misstatements, whether due to fraud or error, and are prepared, in all material respects, in accordance with the Sustainability Accounting Policies;
- forming an independent conclusion, based on the procedures we performed and the evidence we obtained; and
- reporting our conclusion to the Stakeholders of Lundbeck.

Hellerup, 9 February 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 3377 1231



Lars Baungaard
State Authorised Public Accountant
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