Tomasz Urbanek
People Services Senior Manager, Lundbeck
POLAND

Tomasz felt a very high tension in his body when he first started showing physical symptoms that were worrying him: "It started with my arms and hands, but then it went to my face, and you could see the muscles being strained."

That’s when Tomasz sought a specialist and started being treated for obsessive-compulsive disorder (OCD). After six months in therapy, he was diagnosed with depression. Even though Tomasz’s therapy ended a year ago and he was feeling better, the symptoms came back, and he recently had to start the treatment again. Working at Lundbeck, where there is the opportunity to talk openly about treatment and brain disorders, has made it easier for Tomasz to be open about his condition. He encourages others to do the same. Read Tomasz’s full story on Lundbeck.com
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OTHER REPORTS

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

Reporting on sections 99a can be found on pages 2-45, 99d on page 40, and 107d on pages 24 and 36-37.

Reporting on 99b can be found in the Annual Report on pages 35-36.
**LETTER FROM THE CEO**

**Ensure a sustainable long-term future**

In 2023, we have continued to make strides in our sustainability efforts. Our most important contribution to sustainable development remains providing health to people – with a clear positive impact on local communities and society as a whole.

**Contributing to community and society**

At Lundbeck, our most important contribution to society is easing the global burden for the millions of people living with neurological and psychiatric diseases.

In 2023, we have expanded both our therapeutic and patient reach. Each day our treatments reached more than 8 million people worldwide, which is an all-time high for the company.

At Lundbeck, we have expanded our therapeutic reach within neuroscience, investing in our research and development activities.

We are in the process of strengthening Lundbeck’s position as a focused innovator to ensure a sustainable long-term future.

**Partnerships for access to health**

At the core of our commitment to sustainability are our activities to ensure access to healthcare for those who need our treatments. For these activities, we have defined long-term aspirations to make innovative treatment available through R&D, promote equitable accessibility, enhance cultural acceptability, and provide safe and efficacious medical products.

In many parts of the world, neurological disease comes with a high degree of social burden. To advance a more inclusive world, we have in 2023 stayed committed to our work with a number of international and local advocacy groups to promote disease awareness, support the education of healthcare professionals, combat stigma, and empower people living with neurological diseases.

Sadly, the war in Ukraine has contributed to many people being left without proper access to health. In December 2023, we signed a new agreement with the Red Cross to support mental health and psychosocial support for up to 15,000 children and adults in Ukraine over the next two years. Lundbeck has also continued to donate our medicine via our NGO partner to clinics addressing the needs of people affected by war in the Middle East.

**Climate and circularity**

The effects of climate change and the threats to biodiversity have felt alarmingly clear to us all in 2023. In Lundbeck, we have implemented several new initiatives to reduce our carbon footprint, including use of solar energy sources at our production sites; and achieved a milestone of contractual commitments from at least 50 suppliers to use renewable electricity in their operations.

We are in the process of strengthening Lundbeck’s position as a focused innovator to ensure a sustainable long-term future.

Lundbeck continuously optimizes its manufacturing processes based on circular economy principles to limit materials use, waste, and carbon emissions. A two-digit million DKK investment in chemical recycling has been made in 2023, benefitting both the climate and environment.

**People and communities**

In 2023, we have increased the share of women in senior management and have introduced new processes in recruiting and talent management, as well as education and training on diversity, equity, and inclusion biases. I hope you will enjoy reading more about these and other initiatives in the report.

A special thank you to our colleague Tomasz Urbanek for courageously sharing his story about living with obsessive-compulsive disorder (OCD) and depression and lending his face to the cover of this report.

Charl van Zyl  
President and CEO
Sustainability Key Figures

**PATIENTS WE SERVE**

+8 million

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

**BUSINESS ETHICS COMPLIANCE**

99.9%

Of employees completed the annual e-learning on our Code of Conduct

**CLIMATE ACTION**

▼ 34%

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

▲ 8%

Increase in scope 3 carbon emissions vs. 2019 SBTi target baseline

**CHEMICAL RECYCLING**

59%

Recovery and reuse of the organic compounds used in chemical production**

2023 2022 2021

59% 65% 65%

**WOMEN IN SENIOR MANAGEMENT**

36%

Gender split for senior managers globally of 36% women and 64% men

2023 2022 2021

35.9% 33.8% 31.5%

**HEALTH & SAFETY**

2.8

Frequency of lost time accidents per one million working hours for all employees. Scope has been expanded in 2023***

2023 2022*** 2021***

2.8 5.8 6.5

---

* Estimated patient years, based on 2023 sales data for Lundbeck products, excluding partner products

** Targets are set annually based on expected production volume and mix

*** Scope has been expanded to include all employees globally in 2023; 2022 and 2021 rates cover production sites only
We have more than 70 years of experience in neuroscience and in improving the lives of people with brain disorders.

We cover the full value chain:
- We research to build a strong pipeline consisting of promising molecules and antibodies.
- We develop our drug candidates into new medicines.
- We manufacture our medicines at state-of-the-art production sites and continue to supply our drugs to patients in need.
- We make our medicines available through healthcare systems in more than 100 countries.

We are around 5,600 highly specialized employees across +50 countries.

We are one of the few biopharmaceutical companies in the world working exclusively within neuroscience.

We focus our innovation within psychiatry and neurology:
- Psychiatry covers psychotic disorders like schizophrenia, mood and anxiety disorders like depression, bipolar disorder, and post-traumatic stress disorder.
- Neurology covers disorders like migraine, dementia, and movement disorders like Parkinson’s disease, epilepsy, and multiple system atrophy (MSA).
- Neuroscience is an exciting growing area with large unmet medical needs. We see growth and rapidly evolving technologies and methodologies.

We work in partnerships to fight stigma and address the large unmet medical needs.

Everywhere we operate, we strive to create long-term value and make a positive contribution to people and societies.

We ensure outcomes to people and societies:
- +8 million patients around the world are helped by our medicines daily.
- We reinvest around 20% of our revenue into R&D to continue our development of new, innovative drugs.
- Throughout our value chain, we incorporate patient insights by talking to and learning from those with lived experiences.
- We create shareholder value ensuring sustainable and profitable growth.

We act to improve health equity for the patients we serve and the communities we are part of.
Our Sustainability Priorities

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

Lundbeck’s sustainability strategy aims to ensure that we mitigate our most significant sustainability risks and adverse impacts related to these challenges, as well as act on opportunities to make a bigger positive impact. We have four main priorities closely linked to major societal challenges that relate to our business model and strategy.

Below is an overview of our impacts, risks, and opportunities in the four priorities of our sustainability strategy. This includes how they relate to the UN Sustainable Development Goals (SDGs).

We are in the process of updating our sustainability strategy to align with the disclosure and due diligence requirements set out in the EU Directives related to corporate sustainability conduct and reporting. This means we are initiating an extended process for assessing our impacts, risks and opportunities, and determining double materiality in our operations and in the value chain from 2024 onwards.

See the Sustainability Statements for detailed disclosures regarding these and other material matters and how we manage them.
# Sustainability Targets

Lundbeck has set a number of long-term 2030 aspirations that are set out in the subsequent sections of this report for each of the four sustainability strategic priorities. We also set annual targets for each of the four strategy priorities.

Below is an overview of how we performed on the 2023 targets and the targets we have set for 2024.

This year, eight out of 10 targets have been achieved or are on track.

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### Strategy priorities

<table>
<thead>
<tr>
<th>ACCESS TO HEALTH</th>
<th>2024 target</th>
<th>2023 target</th>
<th>SDG Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Launch global platform to provide access to healthcare professionals with independent medical education through Lundbeck Institute activities</td>
<td>Scoping a global approach to measuring the impact of and access to medical education of healthcare professionals we are funding</td>
<td><img src="image" alt="SDG 3" /></td>
</tr>
<tr>
<td></td>
<td>Donate treatment for at least 2,000 patients in low- and middle-income countries through product donation partnership</td>
<td>Donate treatment for at least 1,500 patients in low- and middle-income countries through product donation partnership</td>
<td><img src="image" alt="SDG 16" /></td>
</tr>
<tr>
<td></td>
<td>Annual Code of Conduct training completed by at least 98% of employees at work globally</td>
<td>Annual Code of Conduct training completed by all employees at work globally</td>
<td><img src="image" alt="SDG 16" /></td>
</tr>
<tr>
<td></td>
<td>Four out of five employees stating in the annual employee satisfaction survey (ESS) that they are confident in raising an ethical or compliance concern</td>
<td>Increase the share of employees stating in the annual employee satisfaction survey (ESS) that they are confident in raising an ethical or compliance concern</td>
<td><img src="image" alt="SDG 13" /></td>
</tr>
<tr>
<td></td>
<td>Reduce total carbon footprint across own operations, supply, and distribution in line with our 15-year Science-Based Target¹</td>
<td>Reduce total carbon footprint across own operations, supply, and distribution in line with our 15-year Science-Based Target¹</td>
<td><img src="image" alt="SDG 13" /></td>
</tr>
<tr>
<td></td>
<td>Recycle 64% of the organic compounds used in chemical production</td>
<td>Recycle 64% of the organic compounds used in chemical production</td>
<td><img src="image" alt="SDG 12" /></td>
</tr>
<tr>
<td></td>
<td>Recycle 75% of general waste</td>
<td>Recycle 73% of general waste</td>
<td><img src="image" alt="SDG 12" /></td>
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<tr>
<td></td>
<td>Increase in share of underrepresented gender at senior management level year on year²</td>
<td>Increase in share of underrepresented gender at senior management level year on year²</td>
<td><img src="image" alt="SDG 5" /></td>
</tr>
<tr>
<td></td>
<td>Reduce lost time accident frequency ≤ 3</td>
<td>Reduce lost time accident frequency ≤ 4</td>
<td><img src="image" alt="SDG 5" /></td>
</tr>
<tr>
<td></td>
<td>Not more than two high consequence work-related accidents with absence</td>
<td>Not more than three high consequence work-related accidents with absence</td>
<td><img src="image" alt="SDG 5" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BUSINESS ETHICS</th>
<th>2024 target</th>
<th>2023 target</th>
<th>SDG Impact</th>
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<tr>
<td></td>
<td></td>
<td></td>
<td><img src="image" alt="SDG 16" /></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>CLIMATE CHANGE &amp; CIRCULARITY</th>
<th>2024 target</th>
<th>2023 target</th>
<th>SDG Impact</th>
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<tbody>
<tr>
<td></td>
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<td></td>
<td><img src="image" alt="SDG 13" /></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>PEOPLE &amp; COMMUNITIES</th>
<th>2024 target</th>
<th>2023 target</th>
<th>SDG Impact</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td><img src="image" alt="SDG 10" /></td>
</tr>
</tbody>
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1) We report progress annually on our 15-year targets in Scope 1 & 2 (own produced energy and purchased energy) and Scope 3 (emissions from supply, services, distribution, and business travel)

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

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See the Sustainability Statements section of this report for more performance metrics on a range of sustainability matters that we use to steer and monitor our progress.
Access to Health

Lundbeck is one of the only companies in the world exclusively dedicated to neuroscience.

We see neurological and psychiatric health as being fundamental to good health across the life course, and we continue to proactively address the unmet needs in this area.

50%

It is estimated that neurology and psychiatry disorders directly affect about half the world’s population.¹

2030 ASPIRATION

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

¹ Data manually taken from Global Burden of Disease Study 2019 (GBD 2019) Data Resources using the GHD x tool by the Institute for Health Metrics and Evaluation, University of Washington.
Access to Health

COMMITTED TO NEUROSCIENCE

A key and growing priority for Lundbeck is how we, and the industry, support good health and wellbeing for all. We see neurological and psychiatric health as a holistic concept that does not simply include the absence of disease but allows people impacted by neurological and psychiatric conditions to thrive.

It is estimated that about half of the world’s population is directly affected by at least one neurological or psychiatric disorder. However, these disorders, which include mood and anxiety disorders along with pain or movement conditions, continue to be systematically under-prioritized and stigmatized. With a strong heritage in developing innovative treatments for people impacted by neurological and psychiatric conditions, we understand that there are many obstacles that can prevent an individual from achieving health. Whether it is genetics, age, sex, ethnicity, or socio-economic determinants of access to healthcare, understanding and fully evaluating these are key to improving outcomes in health.

Since adopting our Access to Health strategy in 2020, Lundbeck has taken a number of proactive steps in supporting policy change, awareness, advocacy, education, and product donations towards the achievement of our 2030 aspirations.

SUPPORTING POLICY CHANGE

We have been proactively working on supporting policy change at global and national levels to improve neurological and psychiatric health for all.

In May 2022, the World Health Assembly adopted the Intersectoral Global Action Plan on epilepsy and other neurological disorders, and shortly afterwards, the World Health

MENTAL HEALTH AND PSYCHOSOCIAL SUPPORT IN UKRAINE

In December 2023, Lundbeck made a commitment to contribute DKK 5 million to Danish Red Cross-supported mental health and psychosocial support (MHPSS) activities in Ukraine over the next two years. This funding will allow the Ukrainian Red Cross to scale up the provision of vital psychosocial support to vulnerable children and adults affected by the war in communities across Ukraine, including psychological first aid, Child-Friendly spaces and training for Red Cross volunteers and staff.

+8 million people worldwide

THE PATIENTS WE SERVE

We estimate that more than 8 million people are reached on a daily average with the products Lundbeck produced in 2023.

1) Optimizing brain health across the life course; WHO position paper, August 2022
2) Estimated patient years based on 2023 sales data for Lundbeck products, excluding partner products
Organization published their position paper on brain health\(^1\). Lundbeck supported these two important achievements that formalize the prioritization of neurology and psychiatry in global health policy. We will continue to work with our advocacy and international partners to support policy change for better neurological and psychiatric health.

**AWARENESS AND ADVOCACY**

We continue to work with different partners to educate and raise awareness about neurological and psychiatric health and its importance. Every year, we partner with global and local patient advocacy groups to support their impactful awareness campaigns. See two local examples on page 12 of this report.

Patient advocacy partnerships are a key priority for us. In the latest PatientView report from 2022 that evaluates the corporate reputation of pharma companies globally, Lundbeck was ranked #5 among patient groups we work with (#10 in 2021) and #16 among patient groups familiar with the company (#19 in 2021). This is a significant trend upwards, compared to our overall performance in the past five years.

**EDUCATION IN NEUROSCIENCE**

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

In the coming years, Lundbeck will be evaluating a global digital ecosystem enabling access to learning programs and measuring their global impact. This approach can provide adaptive and personalized learning opportunities for healthcare professionals based on their individual learning needs. Providing medical education through digital formats will enable wider access to learning. We will seek partnerships in the creation of and access to medical education, in order to ensure the highest standards. We believe that supporting healthcare professionals’ learning needs will ultimately lead to improved patient outcomes and building sustainable healthcare resilience.

**UNITED AGAINST STIGMA**

Stigma continues to be a significant barrier to neurological and psychiatric health. It affects the understanding and perception of neurological and psychiatric conditions, which has negative consequences on access to care and treatment, and on how neurological and psychiatric health is prioritized.

We continue to proactively participate in campaigns that support the education and awareness of neurological and psychiatric health, such as Brain Awareness Week, World Mental Health Day, and other awareness opportunities.

World Mental Health Day is celebrated on 10\(^{th}\) October, and every year Lundbeck organizes a global campaign on this day where we show our support to help fight stigma and make a difference. In 2023, the theme was “United Against Stigma” and we ran the campaign “Words Have Power”, focusing on stigmatizing language and encouraging open conversations about mental health disorders.

As such, the campaign focused on the words we use when discussing mental disorders. The way we talk about mental disorders can have a significant impact on those who are affected. We can collectively break down the barriers of stigma and work towards a world where mental health is openly discussed and understood.

On this day, we encouraged all of our employees to help spread the word and participate in one of the many World Mental Health Day activities conducted by our affiliates together with our local partners.

**PRODUCT DONATION PARTNERSHIP**

Through our partnership with International Health Partners (IHP), we can provide access to underserved communities and offer much-needed support to people impacted by neurological and psychiatric conditions.

In 2023, Lundbeck donated medication estimated to be able to help 3,325 people through charitable clinics in the Middle East. Medication provided by Lundbeck and manufactured to be donated has enabled IHP to offer a targeted program in the region through its network of in-country partner charitable clinics. They aid the medical needs of some of the region’s most vulnerable communities who would otherwise have no access to treatment.
EXAMPLES OF HOW WE HELP SPREAD AWARENESS IN THE COUNTRIES WHERE WE OPERATE

TALKING ABOUT MENTAL HEALTH IN MEXICO

Lundbeck Mexico launched “Hablamos” (Let’s talk), a special project that works together with patient associations that specialize in accompanying people who live with a mental condition in their rehabilitation and recovery processes. In Mexico, around 25% of the population presents some mental health problems, while only around 2% of the health budget is allocated to mental health.

In 2023, Hablamos collected real testimonials from people who live in cities like Mexico City, Monterrey, and Guadalajara.

Lundbeck believes that it is vital to collect these testimonials to increase exposure to and remove stigma from mental health problems, to help increase employees’ empathy towards challenges faced by patients, and to increase the quality of our solutions to positively impact the lives of these patients, their families and the society which we all live in.

FIGHTING MENTAL HEALTH STIGMA THROUGH ART IN ITALY

To increase social engagement on the topic of mental health, Lundbeck Italy organized the fourth “People in Mind Contest”, a graphic arts contest to raise awareness about mental illness and to fight against stigma through painting, drawing, photography, videography, and social commitment.

299 works of art were collected from all over Italy, of which 90 were sent in by artists representing associations or centers, and 74 works of art were collected from high school students. The finalists of the competition became advocates for mental health through traveling exhibitions and other social activities. On 10th October, the awards ceremony was held, announcing 13 winners of the fourth edition of the People in Mind Contest. Furthermore, during the ceremony, debates were held together with patient associations, expert clinicians, and institutional representatives about mental health.

Some of the artwork was subsequently used in partnerships with hospitals to decorate their facilities, offering both patients and caregivers a respectable place decorated by art.
At Lundbeck, we pursue our business purpose guided by the ethical principles in our Code of Conduct as a fundamental element of our sustainability strategy.

Business ethics is crucial to us as a global pharmaceutical company. It is how we safeguard patient safety, uphold stakeholder integrity, and maintain our license to operate.

18 Regional Compliance Officers are present in our global commercial organization, alongside the dedicated employees in the Global Compliance function who are committed to providing business ethics guidance to their colleagues.

2030 ASPIRATION

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

STRONG COMPLIANCE PROGRAM
We are a research-based biopharmaceutical company, and our products help more than 8 million people daily. Because of the sensitive nature of our business, society’s expectations are high and constantly evolving.

Lundbeck’s Code of Conduct conveys our ethical commitments and the expectations we have towards our employees and external partners.

During 2023, we reinforced the Compliance Program, which is designed to ensure that we uphold our Code of Conduct. The focus was on the consistent implementation of our Compliance Program across Lundbeck’s global operations. A global network of Compliance Professionals is collaborating closely on finding the most efficient and sustainable techniques, tools, and solutions to incorporate Compliance Program elements into daily operations. The project also provides us with an opportunity to revisit, strengthen, and further digitalize some of the elements of the Compliance Program, in line with better industry practices and in light of the changing regulatory environment, including the applicable European Union directives.

MAKING ETHICS EVERYBODY’S BUSINESS
We invest heavily every year in developing training and awareness activities that can transform Code of Conduct principles into ethical actions.

The annual compliance training aims to empower our employees to make informed and responsible decisions. Also, this year it reiterated that Lundbeck as a company is built on our great people and culture. Videos and testimonials from our CEO and our colleagues reminded us that our culture of ethics is firmly grounded in Lundbeck’s five beliefs: being patient-driven, courageous, ambitious, passionate, and responsible.

The business ethics compliance training is supplemented by our internal audits and monitoring activities that aim to validate the understanding of the requirements, identify risks, and capture suggestions for improvements of processes and controls. Specific feedback is provided to ensure local management ownership and follow-up.

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

Our Compliance Hotline is a secure line that is open for everyone to raise concerns about potential violation of the Code of Conduct. It is a cornerstone in our Compliance Program that helps ensure Lundbeck’s integrity and reliability, protecting Lundbeck against misconduct while also protecting the identity of reporters.

In the course of 2023, 105 compliance hotline reports were reported. This includes all concerns reported through the Compliance Hotline, or other escalation routes, regardless of whether investigations were able to be substantiated. Reports are all counted, even if they relate to the same specific case.

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

In 2023, our internal compliance function also conducted 227 due diligence screenings of third parties and suppliers to identify and mitigate specific risks in relation to those suppliers and third parties.

TARGETS FOR PERFORMANCE
We have set a target that the annual Code of Conduct training must be completed by all employees at work globally every year. We
consider this target achieved in 2023 with a global completion rate of 99.9%.

Our second target for the year was to increase the share of employees stating in the annual Employee Satisfaction Survey (Our Voice) that “they are confident in raising an ethical or compliance concern”. The 2023 share is on par (8.6 out of 10) with the results from the 2022 survey, and as such no increase has been achieved.

TRANSPARENT INTERACTIONS WITH HEALTHCARE PROFESSIONALS
We take pride in being committed to transparency by following our global procedures that respect applicable laws and self-regulation from the industry associations we have joined. One of those is the European Federation of Pharmaceutical Industries Associations (EFPIA).

Under the EFPIA Code, we disclose the transfers of value we make to individual healthcare professionals, healthcare organizations, and patient organizations on a yearly basis. In 2023, Lundbeck made reasonable effort to obtain consent from the Healthcare Professionals (HCPs) and Healthcare Organizations in countries subject to disclosure requirements to publicly disclose payments and other transfers of value. For 2022 data (disclosed in 2023), Lundbeck’s average positive consent rate from HCPs was 9.3% higher than the average for other EFPIA member companies.

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

We have dedicated data privacy resources working across the globe to ensure that we comply with local data privacy requirements.

In November this year, Data Protection Managers from headquarters and EU/EEA affiliates gathered in Copenhagen for a full-day of GDPR workshops, engagement, and knowledge-sharing, keeping up with the latest developments within data privacy.

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

Patient and product safety is paramount to Lundbeck. We take stringent measures to secure our supply chain and ensure that genuine Lundbeck medicines reach patients every time. As an example, in 2023, we conducted 133 patient and product safety audits through collaboration with partners and internally.

See the Sustainability Statements section of this report for Business Ethics key performance indicators.
Lundbeck has for many years demonstrated our commitment to circular economy principles and cutting emissions. In 2023, Lundbeck has continued with our pledge to achieve zero emissions and to introduce circularity concepts into our production processes in line with our transition plan.

In 2023, 61 of Lundbeck’s suppliers signed new contractual commitments to use renewable electricity in their operations.

**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

**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
Climate Change & Circularity

CLIMATE EFFORTS ROOTED IN OUR TRANSITION PLAN

In 2019, Lundbeck became a signatory of the "Business Ambition for 1.5°C" commitment to continue and strengthen its journey towards aligning the company's strategy with a green transition under the framework and objectives established by the Paris Agreement.

Subsequently, in 2022, we developed and launched our Transition Plan as our unwavering commitment to combat climate change and achieve net zero emissions. This plan was designed to ensure alignment with the latest scientific guidance and to address the reduction of carbon emissions across the entire value chain.

Throughout 2023, several planned activities, as described in the following sections, have been carried out that bring us closer to meeting the short and medium-term objectives of our Transition Plan.

EXTENDING OUR REDUCTION COMMITMENT TO OUR VALUE CHAIN

The primary climate-related impact we have beyond our immediate boundaries arises from acquiring various goods and services, including clinical trial services, marketing, raw materials, packaging, distribution, and business travel (scope 3 emissions).

Thus, one of the key objectives outlined in our Transition Plan involves the reduction of our scope 3 emissions by ensuring the use of 100% renewable electricity in the company's 300 main suppliers by 2030. To address this, we recognize the importance of collaborating with our suppliers. Through contractual commitments, we encourage the use of renewable electricity in their operations. It is a challenging journey as the climate action maturity of our suppliers considerably differs, but we aim at having commitments from 50 additional suppliers every year. During 2023, a total of 61 contractual commitments were signed. The commitment of suppliers to use renewable electricity serves as an effective tool for extending Lundbeck's own commitment to reduce emissions. Further, the exercise of annually monitoring the share of emissions used by signatory suppliers will function as an effective way to more accurately calculate our carbon footprint beyond our own operations.

We also prioritize emission reductions within our collaborations with contract research organizations (CROs) on a global scale. This involves integrating climate considerations from the design phase of clinical trials and exploring ways to minimize emissions from the setup and execution of trials. Strategies include decentralized trial conduct, remote monitoring, travel policies, waste reduction, and the optimization of logistic activities.

We have seen the business grow in 2023 and therefore also our spend with suppliers. That means that our emissions from purchased goods and services is higher than in 2022, even though the carbon intensity of our spend has gone down.

SCOPE 1, SCOPE 2 AND SCOPE 3 GHG EMISSIONS, 2023 (TONNES CO2e)

<table>
<thead>
<tr>
<th>Component</th>
<th>Emissions (TONNES CO2e)</th>
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<tbody>
<tr>
<td>Scope 1 GHGs</td>
<td>21,357</td>
</tr>
<tr>
<td>Scope 2 GHGs (market based)</td>
<td>3,934</td>
</tr>
<tr>
<td>Scope 3 (SBTI target boundary)</td>
<td>119,336</td>
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</tbody>
</table>

We have also put substantial efforts towards enhancing the quality and accuracy of data on scope 3 emissions, with the dual aim of further understanding our impact and to better track our improvements. Our baseline year emissions have been adjusted this year as a consequence. Currently, around 60% of our data is estimated based on emission factors per spend or volume. In the upcoming years, we intend to transition to actual emissions reported by suppliers, which will enable us to measure and monitor our progress in reducing emissions across our supply chain.
Another milestone in 2023 was a new travel policy to positively impact our travel-related CO₂e emissions targets, alongside managing rising airline costs and harmonizing our global traveler practices.

Likewise, all our affiliates’ local travel policies and guidelines have been updated with our commitments towards sustainable travel, promoting eco-friendly transportation and utilizing digital alternatives when feasible.

It remains too early to observe an effect of the new travel policy. In 2023, we observed an increase in emissions from business travel of 12,636 tonnes CO₂e compared to 9,636 tonnes in 2022. We attribute this to travel habits in 2022 still having been affected by the COVID-19 pandemic, whereas in 2023 there was an uptick in travel as conditions returned to normal. Despite this increase in emissions from 2022 to 2023, emissions remain 35% below the baseline in 2019.

In conclusion, total scope 3 emissions are up compared to 2022 and 8% higher than our target baseline year 2019 according to our current best estimation method. This is due to our growing business and consequent increased spend on goods, services, and business travel.

**OWN REDUCTION AHEAD OF THE CURVE**

Site power and heat together with our company cars make up our scope 1 & 2 emissions. Since 2006, we have cut more than 80% of the emissions from our sites. According to our Transition Plan, we plan to convert all remaining energy consumption to renewable sources in order to reach the near-term target of 65%
reduction in 2034 compared to 2019.

All consumed electricity at Lundbeck’s Danish sites is renewable since 2022 with a power purchasing agreement. This is the main reason why our scope 1 & 2 emissions are down by 34% compared to our baseline year in 2019, putting us ahead of the curve for our 2034 reduction target of 65%. We will in the coming years continue our efforts in converting to renewable electricity globally.

Our scope 1 emissions also decreased from 2022 to 2023 due to reductions in emissions from our fleet of company cars. New company car policies will be implemented at regular intervals to account for the fast pace of technological advances and regulation in this area.
CIRCULARITY IN RESOURCE FLOWS

Year after year, Lundbeck strives to improve production skills and technical capabilities, resulting in an enhanced ability to recycle organic compounds and minimize the generation of hazardous waste.

Each year, we set targets to improve the recovery and recycling of chemicals used in our production. In the first half of 2023, our organic compounds recovery ratio was lower than expected because the production equipment at the Lumsås site was used for test production of a new compound. In the second half of 2023, the production returned to scheduled production and the recovery ratio was near 70%, resulting in a full year recovery ratio of 59%. We did not meet the full year target of 64%.

As part of our ongoing efforts to enhance the recovery of organic compounds, we have introduced a new initiative aimed at transforming the recovery process for three additional solvents utilized in our production. In 2023, approval was granted for the establishment of a new Solvent Recovery Unit at our Lumsås site. This unit is expected to facilitate the recovery of over 600m³ of solvent annually and will be installed during 2024 and 2025.

In addition, in 2023 we utilized more than 525m³ of non-reusable solvents as support fuel for our emission reduction system – chemical waste that otherwise would have been transported off-site for incineration. This has resulted in a reduction of liquefied petroleum gas (LPG) consumption of 260 tonnes.

NON-HAZARDOUS WASTE REDUCTION AND RECYCLING INITIATIVES

Lundbeck consistently implements recycling initiatives for materials such as plastic, paper, cardboard, and glass. This trend continued throughout 2023.

For plastic, a project in Lumsås explored the feasibility of recycling plastic drums. The project estimated that out of 8.5 tonnes of plastic drums/year, about 3 tonnes (36%) could be recycled into plastic granules, and about 2 tonnes (24%) could be reused directly. The remaining 40% would still have to be incinerated, as they would contain chemical residues. This would save 10 tonnes of CO₂e and 1,300m³ of water compared to producing new plastic.

At our Valby site also in Denmark, small plastic containers, which are used for tablets, have begun to be sorted for recycling in 2023, with an expected collection of between 1.8 to 2 tonnes per year.

For paper, an observation from the waste recipient at Valbonne, France revealed that up to a third of the waste sent for incineration contained cardboard. Internal waste sorting rules were revised, leading to less frequent emptying of the residual compactor and more frequent emptying of the cardboard compactor. This adjustment aims to increase cardboard recycling.

Also for paper, the Finished Goods Production department in Valby started sorting base paper from labels and finished goods storage for recycling, with an anticipated outcome of approximately 1 ton per quarter being recycled.

Another significant improvement related to the packaging of our products is that a EUR 35,000 investment was approved for a new compactor to segregate carton boxes and leaflets from residual waste in Valbonne. This initiative is projected to elevate the recycling rate in 2024, with an estimated increase of 25 tonnes in cartons and leaflets for recycling.

For glass recycling, the implementation of a new process in collaboration with a waste provider in Lumsås allowed for the separate disposal of laboratory glass, resulting in a 33% increase in glass recycling.

Lastly, in Valby the expansion of household-like waste sorting, encompassing food waste, beverage cartons, and plastic in local kitchens and canteens has led to a 147% surge in food waste recycling, amounting to 57 tonnes more than in 2022.

Compared to last year, the above-mentioned initiatives have increased Lundbeck’s general waste recycling rate from 66% to 75%. It has also meant that the amount of general waste sent for incineration has been reduced by 23%, despite an 8% increase in the amount of general waste.

WATER MANAGEMENT

We aim to continuously reduce our water consumption and have done so over many years with technological improvements and various optimization activities at our production sites. In 2023, three out of Lundbeck’s four production sites experienced a reduction in water consumption. Notably, water consumption decreased by 21% at our Valbonne site owing to decreases in steam network pressure, boiler
efficiency improvement, and sterile workshop shutdown. However, consumption in Padova increased by 20% since 2022 due to the installation of a purified water plant, a new production building, and a new evaporation tower. This increased water consumption is the primary reason for total water consumption increasing by 5%.

Total wastewater increased by 15% compared to 2022 mainly due to a change in measurement where all potable water at Valbonne is now included in wastewater, as well as the increased water consumption in Padova.

DEVELOPMENTS IN BIODIVERSITY: NEW INSIGHTS AND LOCAL INITIATIVES
In Q2 and Q3 of 2023, we undertook a comprehensive review of our understanding of Lundbeck’s impact on biodiversity. The primary goal of this exercise was twofold: first, to augment the understanding of the company’s environmental footprint; and second, to evaluate and update when needed the tools and methodologies that were being used for the measurement and management of environmental impacts.

The preliminary outcomes of the biodiversity impact analysis have prompted further research, reviews, and subsequent updates of Lundbeck’s biodiversity position and action plan in the coming years.

In 2023, two local initiatives have been taken to improve the biodiversity at our own sites in Denmark. A recent insect counting activity took place at our site in Valby during the summer, aiming to assess the impact of the wildflower beds established in 2021. The results were unequivocal - 119 species were identified in the wild areas, as opposed to seven species in a reference area of mown lawn. This observation underscores the significant positive effect of even modest local action on urban biodiversity.

SOIL POLLUTION
Traces of PFAS (per- and polyfluoroalkyl substances) were found at Lundbeck’s Lumsås production facility in 2022. The pollution stems from the use of fire-retardant foam containing the PFAS type PFOS (perfluorooctane sulfonate) until 2011, in compliance with national fire safety and environmental regulation at the time.

PFAS pollution is an issue of international concern, which goes beyond Lundbeck and its Lumsås site. PFAS are a class of thousands of compounds that are used throughout society of which one of the most abundant is PFOS. Until 2011, PFOS was a common ingredient in fire-retardant foam in fire extinguishing systems across Europe and was also used in many other parts of the world. These fire extinguishing systems were used as part of prevention protocols at production sites and by fire departments across Europe. Lundbeck switched to a supply of PFOS-free fire-retardant foam more than 11 years ago, when the EU decided to phase out PFAS under the Persistent Organic Pollutants (POPs) Regulation.

Since the pollution was detected, Lundbeck has been engaged in a close dialogue with the Danish Environmental Protection Agency (EPA) regarding the mapping and remediation of the pollution. Lundbeck has also continuously engaged with neighbors and the municipality to address concerns in the local community.

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

Status on sustainability targets

<table>
<thead>
<tr>
<th>2023 TARGETS</th>
<th>STATUS</th>
<th>COMMENT</th>
<th>SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress against near-term 15-year target to reduce scope 1 and 2 CO2e emissions by 65% in 2034 compared to 2019</td>
<td>On track</td>
<td>Reduction of 34% compared to the baseline.</td>
<td>🌍</td>
</tr>
<tr>
<td>Progress against near-term 15-year target to reduce scope 3 CO2e emissions by 40% in 2034 compared to 2019</td>
<td>On track</td>
<td>Increase in estimated emissions of 8% compared to the baseline. With the actions progressing as planned in our low carbon transition plan we are confident that we are on track to meet our 2034 target.</td>
<td>🌍</td>
</tr>
<tr>
<td>Recycle 64% of the organic compounds used in chemical production</td>
<td>Not achieved</td>
<td>We have recovered and recycled 59% of organic compounds used in chemical production.</td>
<td>🌿</td>
</tr>
<tr>
<td>Recycle at least 73% of all general waste</td>
<td>Achieved</td>
<td>We have recycled 75% of general waste.</td>
<td>🌿</td>
</tr>
</tbody>
</table>
Everywhere we operate, we strive to make a positive contribution to the people & communities we touch. This means safeguarding and developing our employees, taking action on gender equality and unconscious bias, and contributing to the communities where we do business.

Our approximate 5,600 employees are our most important and critical resource.

**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

- 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

FOSTERING AN INCLUSIVE WORKPLACE
At Lundbeck, we are committed to building an even more inclusive organization where people can thrive, be their authentic self, and perform at their best. We firmly believe that by fostering an inclusive work environment that integrates and empowers people of different backgrounds, skills, and perspectives, we ignite innovation and catalyze even better performance across the company.

We believe that if we build an inclusive organization, diversity will follow. Diversity is an asset for both business and employees in its capacity to foster innovation, creativity, and empathy in ways that homogeneous environments seldom do.

UPDATED DE&I STRATEGY
In 2023, we reviewed and updated our Diversity, Equity, and Inclusion (DE&I) strategy to emphasize that we firmly believe that DE&I are key cornerstones to being a successful company and helping us deliver on helping people impacted by neurological and psychiatric conditions.

By launching an updated DE&I strategy, with the overarching ambition of being as diverse as the people we serve within all levels and areas of Lundbeck, we secure a continued focus on fostering an inclusive culture of belonging.

The updated strategy builds on the success of the DE&I initiatives that have already been implemented, while emphasizing the importance of anchoring DE&I in our people and business processes in Lundbeck.

Furthermore, the strategy has a strong focus on continuing to educate leaders and employees and create awareness around DE&I-related topics to ensure that we continuously develop our understanding of DE&I as an organization.

INTEGRATING BIAS BLOCKERS IN PEOPLE PROCESSES
We have embedded DE&I in our recruitment process covering all employees in headquarters and in our Global Business Service Center in Kraków, Poland through education and tools to minimize unconscious bias, attract a more diverse talent pool, and ensure fair assessment of all candidates.

Furthermore, we have implemented a bias decoder tool to ensure unbiased language in job advertisements, and we have introduced candidate scorecards after interviews to limit unconscious bias during the interview process.

Subsequently, we have embedded bias blockers in our organizational review process by introducing tools that consider different dimensions of diversity, while ensuring that leaders are aware of their own unconscious bias when evaluating development opportunities and discussing succession planning and promotions.

LEVELING UP ON INCLUSION
In 2023, we continued running our e-learnings on unconscious bias for all employees to create awareness of what unconscious bias is, what to be aware of, and how to act and reflect on our biases. The objective of the course is for all employees to become better at addressing their biases and in that way, help build an even more inclusive workplace.

Furthermore, we continued running our e-learnings on cultural awareness, giving employees insights into cultural differences across different countries. By acknowledging our diverse cultural backgrounds, we can create a language around our differences that can help us better understand each other and enhance collaboration.
In Q3, we ran a pilot on inclusive leadership training as a part of our leadership development programs to enable us to develop a plan for inclusive leadership training in 2024.

We want every brain in the game, and we believe that we all play a part in fostering an inclusive culture where everybody can thrive, be their true selves, and contribute with their full potential. Therefore, we have initiated the development of a DE&I academy, where all employees and leaders can access DE&I material, resources, and tangible tips and tricks for advancing inclusion at Lundbeck.

CONTINUING TO RAISE AWARENESS AND CREATE ENGAGEMENT
To ensure high organizational engagement, we continuously had a strong focus on communication activities and engaging events in 2023.

Throughout the year, we recognized and celebrated global and local events and holidays such as Lunar New Year, Black History Month, International Women’s Day, and Global Pride Month.

Our local employee resource groups have greatly contributed to the success of the celebration of global and local events. Throughout the year, they continued to grow in numbers and members, highlighting Lundbeck’s strong organizational commitment to fostering an inclusive culture and ensuring equitable processes.

MEASURING DE&I
For years, we have continuously monitored our key diversity and inclusion measures and will continue to do so, as this is a great way to “take the temperature” of DE&I in the organization and at the same time be able to track results on our DE&I journey.

Our inclusion measurements are tracked via our engagement surveys. In 2023, we made further improvements on our inclusion measures as part of our global engagement survey. In the survey, we track our employees’ feeling of equal opportunities and their sense of belonging via different engagement questions related to diversity, equity, belonging, and inclusion.

Our diversity measurements are tracked through our people system. We continue to have a long-established aim to maintain an overall equal gender split for all people managers globally.

In 2023, the proportion of female managers was 43.0% by the end of the year compared to 43.1% end 2022, whereas the gender split for all employees by the end of the year was 54.5/45.5% female/male compared to 53.7/46.3% end 2022.

For 2023, we set a target to increase year on year the share of the underrepresented gender at senior management level, including EVPs, SVPs, and VPs. We have increased the share from 33.8% end 2022 to 35.9% end 2023 and have thus achieved this year’s goal.

In accordance with Danish legislation, Lundbeck’s Board of Directors and Executive Management have set targets for a balanced gender representation for board members elected by the shareholders as well as for Upper Management (defined as Executive Management and their direct reports with people management responsibilities). The commitment is to achieve a balanced gender representation across all managerial levels and a minimum of 40% women and a minimum of 40% men by end of 2026.

We have a share of women in Upper Management of 38% in 2023. We have 25% female board members elected by the shareholders and 33% female board members including the members elected by Lundbeck’s employees. We are confident that we will achieve the commitment targets by 2026 with the policies and actions planned.
A STRONGER SAFETY CULTURE
The safety of our workplace is a priority in Lundbeck, and we strive to foster a safety culture that minimizes work-related accidents. To achieve this, we carry out exhaustive monitoring of the frequency, number, and severity of accidents to establish action plans and ambitious objectives.

The number of accidents in 2023 was 27, compared to 21 last year. That means that we this year have a frequency of accidents of 2.8. By this we were successful in reaching our 2023 target of a frequency of lost time accident rate at or below 4.

In 2023, Lundbeck’s sales affiliates (approximately 3,000 employees) were added to the scope for our data collection and global reporting. This is reflected in the higher number of accidents and the lower frequency this year compared to 2022.

In 2023, there were two high-consequence accidents, compared to five in the previous year. This means that we have achieved our target of maximum three high-consequence accidents for 2023.

In 2023, a safety culture pilot project was conducted in Lumsås. The strong commitment of both employees and managers to this project has been a key driver of its success – the number of work-related accidents with absence went from 10 in 2022 to five in 2023. The project began with group interviews amongst the employees to get a qualitative understanding of their perception of the safety culture. The conclusions from these interviews were the outset for a manager workshop focusing on the importance of the managers’ role and engagement in driving a strong safety culture. The workshop was followed by several initiatives to ensure consistency and to continuously focus on safety within teams. Such initiatives included manager safety walks and managers’ cross organizational sparring on safety activities. This initiative will be expanded in 2024 to more sites and areas in Lundbeck where we have seen an increase or status quo in the number of accidents.

An analysis of accidents at Lundbeck shows that most are related to behavior. Therefore, we will launch a campaign in 2024 that aims to increase the awareness and responsibility of all Lundbeck employees for the health and safety of themselves and their colleagues.

HEALTH AND WELLBEING
In 2023, we continued to produce more training and awareness videos to prevent aches, pains, work-related diseases, and accidents. We have developed three new training videos to help with ergonomic challenges related to work in our laboratories, manual operations in our production areas, and for the driving of our sales employees. The training videos provide instructions on how to work in an ergonomic way and how to do simple exercises during the day. These videos are accessible on Lundbeck’s intranet and will be incorporated in local onboarding and retraining programs.

Additionally, we have successfully continued with stress management courses for employees in Denmark in 2023, which were well-attended and well-received. We plan to continue these courses in 2024.

Status on sustainability targets

<table>
<thead>
<tr>
<th>2023 TARGET</th>
<th>STATUS</th>
<th>COMMENT</th>
<th>SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce lost time accident frequency ≤ 4</td>
<td>Achieved</td>
<td>We were successful in reaching a target rate below 4, with a rate of 2.8 for the full year.</td>
<td></td>
</tr>
<tr>
<td>Not more than three high-consequence work-related accidents with absence</td>
<td>Achieved</td>
<td>2 of 27 accidents have been categorized as high consequence.</td>
<td></td>
</tr>
</tbody>
</table>
PAYING OUR TAXES

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

Lundbeck considers a fair tax policy and a robust management of this policy as part of our sustainability commitment. It is our policy that we pay tax where we make our profit and to offer transparency to stakeholders through reporting. Lundbeck’s tax policy is reviewed and approved by our Board of Directors annually.

In accordance with our aim to offer transparency, Lundbeck will in 2024 provide a full country-by-country report. The country-by-country report contains financial data, including revenue, profit, and tax per jurisdiction we operate in.

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

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

2023 CORPORATE TAX PER REGION

2023 corporate tax amounts to DKKm 7401, of that our ten largest markets account for DKKm 644 (87%) and the rest of the world accounts for DKKm 96 (13%).

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1. Profit before tax and corporate income tax are disclosed before elimination of intra-group transactions such as tax free dividends and value adjustments of tax assets and therefore differs to the consolidated figures in the Annual Report.
2. The Danish Corporate Income tax is impacted positively by tax free dividends from subsidiaries and by Research and Development Incentives. During 2023 H. Lundbeck A/S invested DKKm 3,457 in Research and Development.
Sustainability Statements

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

Lundbeck continuously updates its management of its impacts following the established guidance and principles on environmental and social due diligence. Lundbeck revises governance, policies, and procedures; sets ambitious targets; reports on progress; and discloses a set of externally assured performance indicators.

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General Disclosures

LUNDBECK IN BRIEF

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

SUSTAINABILITY GOVERNANCE AND MANAGEMENT

The Executive Management defines and owns the Sustainability Strategy and priorities. A share of their short-term incentive program is linked to performance on targets related to the sustainability strategy, described in Lundbeck’s Remuneration Report.

The CEO has the highest responsibility for the sustainability strategy and presents major decisions to the Board of Directors when relevant. A dedicated Corporate Sustainability team is responsible for improving, monitoring, and reporting on Lundbeck’s sustainability performance in close collaboration with the relevant functions in the organization. The approach taken is to ensure ownership of sustainability in the relevant line functions.

SUSTAINABILITY STRATEGY

Lundbeck’s sustainability activities aim to mitigate material risks and adverse impacts related to its business activities and to contribute to solving societal challenges where possible. Lundbeck remains committed to the UN Global Compact Principles (Lundbeck became a signatory in 2009) and contributes to addressing seven of the UN Sustainable Development Goals.

MATERIAL ISSUES AND STAKEHOLDERS

With growing interest in ESG in the financial sector, investors and financial institutions are important stakeholders for Lundbeck. However, equally important to Lundbeck’s 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 priority stakeholders is a core part of Lundbeck’s materiality assessment. See Lundbeck’s material issues on page 7.

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

RISK MANAGEMENT

Lundbeck has several processes in place to ensure that corporate risks are assessed, reviewed, and mitigated. Sustainability, business ethics, and compliance are a part of Lundbeck’s Enterprise Risk Management framework described in the Annual Report. These topics and the related risks are reported regularly to the Audit Committee and Board of Directors. Every year, Lundbeck’s Compliance Committee reviews and approves the Code of Conduct Risk Register. The review is based on interviews with internal compliance specialists across Lundbeck’s global organization and various documented sources, including reported external trends, new regulations, internal audit findings, and Compliance Hotline reports. The outcome of the annual Risk Register review is a list of mitigating actions that are endorsed by the Compliance Committee to continuously improve the Code of Conduct Compliance Program.

FOUNDATION OWNERSHIP

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

SUSTAINABILITY-LINKED FINANCING

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

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

ENVIRONMENTAL POLICIES AND MANAGEMENT

Lundbeck is committed to protecting the environment and believes that a healthy environment is a precondition for good health and wellbeing. Lundbeck’s environmental work is governed by its sustainability strategy, Code of Conduct; Health, Safety, and Environment Policy; and Health, Safety, and Environment Strategy.

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

Lundbeck has had a long-standing history of strong environmental management since the 1980s. Lundbeck’s corporate headquarters and larger research, development, and manufacturing facilities are today certified to the ISO 14001 and 45001 standards. Lundbeck conducts HSE related internal audits at its production sites to test compliance and improve its certified HSE system, as well as receiving external audits. Lundbeck is also inspected by local and national authorities to determine alignment with environmental requirements, and documentation of compliance with environmental approvals is provided. These audits and inspections cover several environmental topics, such as emissions of organic compounds to air and waste management.

CIRCULARITY AND POLLUTION PREVENTION

Developing most of its own manufacturing processes gives Lundbeck the opportunity to minimize material use, substitute unwanted substances, and increase recycling. Lundbeck expects its suppliers to deliver materials and handle waste sustainably. Lundbeck’s procedure is to avoid the use of the most hazardous substances in its R&D processes. Further Green Chemistry1 principles are applied when optimizing chemical synthesis wherever possible. See the Climate Change & Circularity chapter of this report for more information.

Lundbeck’s chemical sites use the best available technologies for cleaning emissions to air and sewage systems in accordance with legal requirements. At production sites, where a minimal amount of API enters the wastewater, the wastewater is filtered in accordance with legal requirements before entering the sewage system.

Lundbeck is committed to reducing its water consumption and wastewater discharge, and this commitment is realized by implementing various water reducing initiatives at Lundbeck sites. See more in the Position on Water.

<table>
<thead>
<tr>
<th>Environmental management</th>
<th>Unit</th>
<th>Scope</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental incidents</td>
<td>No.</td>
<td>a.</td>
<td>7</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Environmental incidents with impact on the</td>
<td>No.</td>
<td>a.</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental near miss</td>
<td>No.</td>
<td>a.</td>
<td>36</td>
<td>37</td>
<td>42</td>
</tr>
</tbody>
</table>

Sustainability accounting policies - definitions

<table>
<thead>
<tr>
<th>Environmental incidents</th>
<th>An environmental incident is an unintended release to the environment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental incidents with impact on the</td>
<td>Incidents with an impact on the environment and due for external reporting, are evaluated based on an internal risk assessment/scoring methodology of quantity, dispersion, and effect.</td>
</tr>
<tr>
<td>environment</td>
<td></td>
</tr>
<tr>
<td>Environmental near miss</td>
<td>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.</td>
</tr>
</tbody>
</table>

Biodiversity

Lundbeck does not have operations in areas of high biodiversity value. Further assessment will be performed during 2024 as part of Lundbeck’s CSRD Readiness work.

1) Green Chemistry refers to the optimization of chemical synthesis by applying principles to increase the process yield, using less hazardous substances, reducing the overall consumption of solvents, and reducing the generation of waste.
Lundbeck acknowledges stakeholder concerns about pharmaceutical residues in the environment. Lundbeck tests the environmental effects of new medicinal products and designs processes with the least possible environmental impact. Based on the test results, disposal of unused medicine is evaluated. Information on the waste disposal of unused medicine is added to the leaflet included in the medicine packaging.

Lundbeck pursues approaches that balance healthcare needs and environmental considerations in line with the EFPIA’s Eco-Pharmaco-Stewardship Initiative to minimize pharmaceuticals in the environment.
Lundbeck set its first climate target in 2006 and made its first CDP disclosure in 2007. Since then, the targets have been revised and made more ambitious several times. Lundbeck’s commitment to climate actions is governed by a Steering Committee chaired by the Executive Vice President, the targets have been revised and made more ambitious several times. Lundbeck’s ISO14001-certified environmental management system, where roles and responsibilities are defined and annual targets are set. See the Climate Change & Circularity chapter of this report for descriptions of the actions taken in 2023 and progress on targets.

### Greenhouse Gas Emission

<table>
<thead>
<tr>
<th>Scope &amp; GHGs (market based)</th>
<th>Tonne CO₂e</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 &amp; 2 GHGs (market based)</td>
<td>b.</td>
<td>25,291</td>
<td>27,301</td>
<td>32,776</td>
</tr>
<tr>
<td>Scope 2 GHGs (location based)</td>
<td>Tonne CO₂e</td>
<td>b.</td>
<td>21,357</td>
<td>23,332</td>
</tr>
<tr>
<td>Scope 1 GHGs²</td>
<td>Tonne CO₂e</td>
<td>b.</td>
<td>15,602</td>
<td>15,525</td>
</tr>
<tr>
<td>Scope 2 GHGs (market based)³</td>
<td>Tonne CO₂e</td>
<td>b.</td>
<td>3,934</td>
<td>3,969</td>
</tr>
<tr>
<td>Scope 3 GHGs</td>
<td>Tonne CO₂e</td>
<td>d.</td>
<td>119,336</td>
<td>113,045</td>
</tr>
<tr>
<td>Scope 3 GHGs: Purchased goods and services ³</td>
<td>Tonne CO₂e</td>
<td>d.</td>
<td>99,232</td>
<td>95,222</td>
</tr>
<tr>
<td>Scope 3 GHGs: Up-stream transportation and distribution ³</td>
<td>Tonne CO₂e</td>
<td>d.</td>
<td>7,468</td>
<td>8,187</td>
</tr>
<tr>
<td>Scope 3 GHGs: Business travel ³</td>
<td>Tonne CO₂e</td>
<td>d.</td>
<td>12,636</td>
<td>9,636</td>
</tr>
</tbody>
</table>

### Energy consumption

<table>
<thead>
<tr>
<th>Energy consumption</th>
<th>Unit</th>
<th>Scope</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas, methane, city gas, F-gas</td>
<td>MWh</td>
<td>b.</td>
<td>107,477</td>
<td>105,704</td>
<td>108,162</td>
</tr>
<tr>
<td>Gasoil, biooil, diesel, solvents²</td>
<td>MWh</td>
<td>b.</td>
<td>32,702</td>
<td>32,191</td>
<td>36,521</td>
</tr>
<tr>
<td>District heating</td>
<td>MWh</td>
<td>b.</td>
<td>16,725</td>
<td>15,876</td>
<td>13,018</td>
</tr>
<tr>
<td>Electricity</td>
<td>MWh</td>
<td>b.</td>
<td>13,576</td>
<td>13,722</td>
<td>15,269</td>
</tr>
</tbody>
</table>

### Renewable electricity share

| Renewable electricity share | % | b. | 71 | 66 | 54 |

---

1) Scope 1 also includes company cars, which are covered by scope c rather than scope b
2) Comparative figures for 2022 have been updated to reflect the improved the data quality
3) Comparative figures for 2022 and 2021 have been updated to reflect the improved the data quality

---

### 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 and including consumption of gas, oil, and refrigerants used in production (e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles).

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

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

#### Scope 2 GHGs (location based)

Scope 2 emissions includes all indirect emissions related to the generation of acquired and consumed electricity and district heating.

All consumed energy is monitored by building-specific meter readings and invoices if meter readings are not available.

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

#### Scope 2 GHGs (market based)

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

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

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

#### Scope 1 & 2 GHGs (market based)

Combines the calculated scope 1 and scope 2 emissions using the reported market-based scope 2 emissions.
Reporting according to Climate-related Financial Disclosures (TCFD)

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

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

Lundbeck’s climate-related risks and opportunities all have low impacts, except physical risks of exposure to extreme weather events that can affect its sites, partners, and suppliers, and conversely the opportunity to maintain resilient production.

Risk and opportunities are impacting Lundbeck’s business by leading it to become highly energy efficient, increase its use of renewable energy, and engage with suppliers to mitigate future physical and transitional changes.

Lundbeck prepares scenario analysis using climate modeling scenarios that predict temperature increases. As part of Lundbeck’s CSRD Readiness work started in 2023, the process for this analysis has been evaluated with a view to strengthen cross-functional involvement.

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

Sustainability Accounting Policies - Definitions (continued)

Scope 3 GHGs: Purchased goods and services

Emissions related to purchased products are estimated based on acquired quantities multiplied with appropriate emissions factors supplied by the Ecoinvent database. Currently app. 21.5% (2022: app. 20%, 2021: app. 16%) of data in this category is based on suppliers’ emission data reported directly to Lundbeck or based on the suppliers’ reported emissions in their CDP disclosure or Sustainability Reports.

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

Scope 3 GHGs: Up-stream transportation and distribution

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

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

Scope 3 GHGs: Business travel

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

Currently 98% (2022: 89%, 2021: 75%) of the flight-related emissions are provided by associated travel agencies and the remaining 2% are extrapolated (2022: 11%, 2021: 25%). All flight-related activities have been adjusted to include radiative forcing factors in 2023, 2022, and 2021 figures.

VOCs emitted to air

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

Energy consumption

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

Renewable electricity share

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

For information on Lundbeck’s product donation program, position papers, disease awareness material and patient support programs, and more, see the Access to Health section of this report.

Pricing

Lundbeck acknowledges the challenges faced by healthcare systems under pressure from rising demands, and it recognizes concerns expressed on the affordability of innovative medicines. See more in Lundbeck’s global pricing position.

Product donation program

In 2020, Lundbeck commenced its collaboration with International Health Partners (IHP) to initiate their first mental health program in the Middle East & Africa (MEA) region. In 2021, Lundbeck signed a Letter of Intent to expand the partnership. Since then, the partnership has gradually been expanded to reach more patients year on year and will continue to do so.

Diversity in clinical trials commitment

Lundbeck is committed to conducting inclusive clinical trials, improving diversity across racial and ethnic groups which have been historically underrepresented in clinical trials. These efforts are an important part of Lundbeck’s focus on combating health inequities and racial disparities in health.

In October 2023, Lundbeck launched internal supportive materials and guidelines for developing Clinical Diversity plans in alignment with FDA guidelines, and Lundbeck is partnering with sites and CRO partners to implement actions which will improve patient diversity within clinical trials. Setting targets for trial diversity with subsequent monitoring and oversight will be an important step in achieving Lundbeck’s diversity goals.

Lundbeck will assess and drive efforts in this area and monitor Lundbeck’s progress per regulatory requirements.

Patent principles

In 2021, Lundbeck and 25 other pharmaceutical companies announced an approach to intellectual property (IP) for advancing cures and therapies with patient and societal benefit at its core. It is called the IP Principles for Advancing Cures and Therapies (IP PACT). Lundbeck believes that IP is a key facilitator of medical progress, and Lundbeck strives for patient and societal benefits as guiding principles in its IP practices. One of the principles is that Lundbeck approaches 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 Lundbeck uses IP and why it is essential to what we do. Therefore, together with other companies, Lundbeck communicates these key IP principles that guide its use of IP to advance the goals of improving and extending patients’ lives.

Clinical trials

Clinical trials are outsourced and continuously monitored in line with Good Clinical Practice requirements, as well as all relevant requirements from regulatory agencies and ethics committees.

Lundbeck registers clinical trial protocols and discloses the results of clinical trials, regardless of outcome, in publicly accessible clinical trial registries (ClinicalTrials.gov and EudraCT/CTIS). This

### Sustainability accounting policies - definitions

**Donated treatment in Low-Middle Income Countries**

- Number of patients estimated by dividing the number of doses shipped with medically recommended average treatment. The number is based on a mathematical calculation based on the donated amount of medicine. The number is not based on an evaluation of actual treatment at clinics.
includes terminated trials. Non-interventional studies may also be disclosed if, for example, they are considered to provide important safety data.

Clinical trial reports for approved products are accessible on the EMA's page for clinical trial data in accordance with EMA POLICY/0070. Clinical trial information for products approved in Canada is accessible on Health Canada's homepage in accordance with Health Canada's guidance on Public Release of Clinical Information.

Lundbeck also shares trial results with the patients that participated in these trials through a public website (trialssummaries.com). This information is provided in easy-to-understand language.

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

PRODUCT AND PATIENT SAFETY

Lundbeck Safety Governance is the primary decision-maker at Lundbeck for decisions related to safety risks impacting the benefit-risk profile of Lundbeck products, including their related safety risk management activities. The highest level of Safety Governance, the Safety Board, is mandated to decide on product recalls due to negative benefit-risk, product labeling changes related to safety, and to pause development activities globally for safety reasons.

In 2019, a Chief Medical Officer (CMO) role was introduced and has been fully implemented in procedures since 2020. The CMO chairs the Lundbeck Safety Board and has the mandate to escalate safety topics directly to the CEO. The processes for the Lundbeck Safety Governance underwent significant updates in 2023 to align with new legislation and to strengthen cross-functional communication in line with the global mandate of Lundbeck Safety Governance.

In 2020, the role of Qualified Person for Pharmacovigilance (QPPV) was expanded from EU QPPV to become a global role. The global QPPV manages a global network of qualified persons, the local QPPVs, in countries where such a role is mandated. In 2023, the UK QPPV role, which was previously outsourced, was added to the responsibilities of the global QPPV with the aim of further leveraging synergies between the roles.

As part of Lundbeck’s efforts to become more patient-centric, the company’s adverse event reporting form, used for worldwide reporting of adverse events related to Lundbeck products, underwent a significant revision in 2023 to become more user-friendly. The new form was developed with patient input and was rolled out globally on all affiliate websites in 2023. Lundbeck also successfully concluded a pilot project on direct follow up on adverse event reporting by patients and caregivers. The set-up has now been made permanent.

In 2023, Lundbeck updated several important safety processes related to signal detection and risk management. The safety organization also performs an evaluation of potential health hazards and changes to benefit–risk in the event of quality defects with a mandate to escalate significant safety topics to Safety Governance.

Every year, Lundbeck performs online awareness training on patient safety / pharmacovigilance with gamified quiz questions for improved learnings. All employees globally are required to complete the training.

Combating falsified or counterfeit products

Lundbeck takes stringent measures to secure its supply chain and ensure that genuine Lundbeck medicines reach patients every time.

Lundbeck protects the integrity of its products by labeling packages with various safety features, which increases the security of Lundbeck medicines – such safety features include, for example, serial numbers for unique identification, anti-tampering devices, and a 2D data matrix. In collaboration with Health Authorities, such measures are aimed at increasing the visibility of the supply chain, traceability of products, and verification of medicine when being dispensed to patients. To support these activities, Lundbeck has established IT infrastructure to secure data integrity and exchange with Health Authorities and partners. Lundbeck closely follows global regulations on safety features to apply the latest measures to our medicines.

Tools used by Lundbeck’s dedicated team in Brand Protection to identify threats and develop mitigation actions include:

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

Lundbeck has mandatory Good Manufacturing Practices (GMP) and Good Distribution Practices (GDP) requirements in place that cover compliance in the area of Storage and Distribution and include managing risks related to third-party transportation companies.
Lundbeck collaborates with customs authorities to surveil shipments claiming to contain Lundbeck products, providing training when necessary. Lundbeck also engages with international organizations dedicated to fighting counterfeit medicine by attending quarterly meetings of the EFPIA Anti-counterfeiting & Security Network, as well as regular workshops and annual conferences of the International Anti-Counterfeiting Coalition (IACC) and the International Trademark Association (INTA).

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

Internal awareness training on illicit trade and anti-counterfeiting is provided throughout the year to commercial teams in countries with identified risks by Lundbeck's Senior Brand Protection Manager. Additionally, Lundbeck provides continuous training of employees across the organization, as well as external partners and local teams, on safety measures for traceability and product verification.

**Product quality**

Lundbeck is required to deliver both product consistency and quality according to the strict regulations applicable to the pharmaceutical industry. Lundbeck is certified by the Danish Medicines Agency and several other national regulatory bodies. Good Manufacturing Practices (GMP) certifications and manufacturing licenses can be found in a public database (EudraGMDP). All Lundbeck sites are subject to both internal and external Good Practice (GxP) audits as well as regulatory audits.

All Lundbeck production sites hold the necessary certifications to operate as pharmaceutical manufacturers, and Lundbeck standards are cascaded throughout the value chain through written procedures, audits, and training relating to GMP and GDP. Lundbeck performs extensive in-house testing of all raw and packaging materials, intermediates, and finished products, as well as external testing. Specifications are agreed with the regulatory bodies in the markets where products are sold. All Lundbeck’s product are traceable according to Good Manufacturing Practice (GMP) principles.

Annually, all Lundbeck employees undergo pharmacovigilance training, and Lundbeck's Product Development & Supply department is additionally trained on product quality.
OWN EMPLOYEES

Lundbeck’s employees are its most important and critical resource. Lundbeck ensures respect for the individual and the continuous development of its employees. Staying safe and healthy at work is considered to be a fundamental right for all.

Diversity and inclusion
Lundbeck is a diverse company determined to build an inclusive high-performance culture that allows all employees to enrich their professional skills and career at Lundbeck without discrimination, as described in Lundbeck’s global Diversity and Inclusion Policy. See the People & Communities chapter of this report for 2023 activities.

Remuneration
Lundbeck strives to offer employees a competitive and market-related remuneration package consisting of fixed and variable compensation as well as monetary and non-monetary benefits. Lundbeck believes that with an employee-focused, fair, and transparent remuneration package, the most qualified talents in the market can be attracted and retained. 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 the company’s 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 shareholders’ long-term interests through a link to the performance of Lundbeck’s share price. The link provides Management with an incentive to drive innovation to Lundbeck’s growth on a long-term sustainable basis.

Sustainability accounting policies - definitions

<table>
<thead>
<tr>
<th>People</th>
<th>Unit</th>
<th>Scope</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average employee remuneration (H. Lundbeck A/S)</td>
<td>DKKm</td>
<td>c.</td>
<td>0.88</td>
<td>0.85</td>
<td>0.86</td>
</tr>
<tr>
<td>New CEO/Employee ratio (H. Lundbeck A/S)</td>
<td>Times</td>
<td>c.</td>
<td>31.7</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Gender balance - all employees</td>
<td>Female/male</td>
<td>c.</td>
<td>54.5/45.5%</td>
<td>53.7/46.3%</td>
<td>53.9/46.1%</td>
</tr>
<tr>
<td>Gender balance - all people managers</td>
<td>Female/male</td>
<td>c.</td>
<td>43.0/57.0%</td>
<td>43.1/56.9%</td>
<td>42.6/57.4%</td>
</tr>
<tr>
<td>Gender balance - senior managers</td>
<td>Female/male</td>
<td>c.</td>
<td>35.9/64.1%</td>
<td>33.8/66.2%</td>
<td>31.5/68.5%</td>
</tr>
<tr>
<td>Number of women on the Board (shareholder elected)</td>
<td>No./Total No.</td>
<td>c.</td>
<td>2/8</td>
<td>2/7</td>
<td>2/7</td>
</tr>
</tbody>
</table>

1) Charl van Zyl’s annualized total remuneration divided by H. Lundbeck A/S average employee remuneration excl. Management.

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.

Lundbeck has annual organizational review and people review processes in place in all business areas addressing succession planning, management teams, and talent development.
Lundbeck regularly partners with leading business schools to deliver leadership programs for senior levels, including IMD (Switzerland) and London Business School (UK). Lundbeck has several training providers and coaches identified as preferred suppliers in Denmark who are regularly engaged in training and development programs.

On a global scale, Lundbeck offers a range of corporate leadership training programs from an introduction to Lundbeck’s leadership framework to building business leadership skills for senior management. Annually, 250–400 leaders in Lundbeck participate in these global leadership programs.

Employees who have been identified as having high potential are nominated to take part in the Navigator and Voyager talent programs (1- and 2-year programs, respectively) consisting of multiple modules and focusing on personal and professional development.

In addition, each business area has a budget for people development which is allocated according to employee needs. Some areas engage in more extensive training on certain topics, one example in 2023 being the AMSL (Agile Mindset and Servant Leadership) program rolled out across Research & Development teams.

**Flexibility, Mobility, and Wellbeing**

Lundbeck realizes that individual productivity and wellbeing may be improved by having flexible work arrangements, which is why Lundbeck’s Flexible Workplace, Flexible Workday, and Reduced Hours Policies apply to all office employees. Although Lundbeck’s primary place of work is in a face-to-face setting, local management decides how to shape the best work environment in each area. Place of work as well as working hours can be altered to be mutually beneficial to the employee and the organization. In 2023, Lundbeck started piloting compressed work weeks where employees at the production facility in Lumsås can choose to compress their working time into fewer days and thereby get more full days off.

Employees can also apply for reduced work time according to their personal needs while special leave and sabbaticals are decided on a case-by-case basis. In Lundbeck, our goal is to achieve the flexibility and agility required to respond to changing business demands. Lundbeck’s Global Mobility Policy acts as a framework for extended business travel which allows eligible employees to participate in international assignments lasting from two to 36 months.

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

It is key for Lundbeck to 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 its Code of Conduct, Position on Health and Safety, Health, Safety and Environment Policy, and Health, Safety and Environment Strategy. Lundbeck’s corporate headquarters and larger research, development, and manufacturing facilities are certified to the ISO 45001 standard certification.

To mitigate risks and identify positive impacts, Lundbeck systematically assesses incidents and working conditions as well as performs risk assessments before making any physical or organizational changes, for instance when establishing new facilities and developing new products and processes. Lundbeck is continuously developing its comprehensive Industrial Hygiene Program, which includes toxicological tests, dust measurements, and the calculation of exposure limits for new active substances and biologics. Based on these measurements, Lundbeck evaluates and designs workplaces and procedures that ensure healthy and safe working conditions.

### Health & Safety

<table>
<thead>
<tr>
<th>Health &amp; Safety</th>
<th>Unit</th>
<th>Scope</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work related accident with absence¹</td>
<td>No.</td>
<td>c.</td>
<td>27</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>Work related near miss</td>
<td>No.</td>
<td>a.</td>
<td>522</td>
<td>466</td>
<td>449</td>
</tr>
<tr>
<td>Work related accident without absence²</td>
<td>No.</td>
<td>c.</td>
<td>82</td>
<td>91</td>
<td>81</td>
</tr>
<tr>
<td>Work related disease</td>
<td>No.</td>
<td>a.</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>High-consequence work related accident with absence²</td>
<td>No.</td>
<td>c.</td>
<td>2</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Frequency of lost time accidents¹</td>
<td>Freq.</td>
<td>c.</td>
<td>2.8</td>
<td>5.8</td>
<td>6.5</td>
</tr>
<tr>
<td>Fatalities</td>
<td>No.</td>
<td>c.</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

¹) 2023 scope has been expanded so that all employees are included. 2022 and 2021 have scope a. (Production sites: Valby (DK), Lumsås (DK), Valbonne (F), and Padova (I)). Data has not been collected retroactively in this scope for 2022 and 2021.

²) Comparative figures were updated to reflect changes in severity of the consequence of 2 accidents to high consequence after year end for 2022 numbers.

### Sustainability accounting policies - definitions

**Work-related accident with absence**

A work-related event or exposure that occurred suddenly and gives rise to personal physical or psychological injury and results in days away from work for one or more working days in addition to the day of the accident.

The data covers accidents reported to Corporate Health, Safety & Environment.

**Work-related near miss**

A sudden incident where no personal injury occurred but had the potential to do so. Near miss also contains hazardous observations (a situation, condition or act that could lead to a near miss or accident).

The data covers near miss reported to Corporate Health, Safety & Environment.

**Work-related accident without absence**

A work-related 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.

The data covers accidents reported to Corporate Health, Safety & Environment.

**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.

The data covers diseases reported to Corporate Health, Safety & Environment.

**High-consequence work-related accident with absence**

Work-related accidents with absence that are assessed as “Large” (work-related injury with permanent injury) or “Catastrophic” (death or disability) in internal risk assessment and results in an injury from which the employee is not expected to recover fully within six months.

At year end, there is a follow up performed of the status of accidents that have occurred in the past two years. If any increases in the severity of the accidents are found, then comparative figures will be updated accordingly.

The data covers accidents reported to Corporate Health, Safety & Environment.

**Frequency of lost time accidents**

The frequency is calculated as the number of accidents with absence and fatalities per one million working hours.

Total number of working hours is calculated using an estimate of 225 working days a year multiplied by 7.4 hours per day multiplied by the number of employees.

**Fatalities**

Fatalities are the number of employees who lost their lives as a result of a work-related accident. These accidents are included in the calculation of the Frequency of lost time accidents.

The data covers fatalities reported to Corporate Health, Safety & Environment.
SOCIAL RESPONSIBILITY IN LUNDBECK’S 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 are contractually bound to adhere to local and internationally recognized anti-corruption, labor rights, human rights, and environmental standards as dictated by principles of the UN Global Compact. Critical or material collaboration partners and suppliers are contractually required to adopt Lundbeck’s Third Party Obligations, which bind them to adhere to relevant sections of Lundbeck’s Code of Conduct.

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

The specific risk areas assessed are:
- Conflict of interest
- Financial crime (including corruption, bribery, tax evasion, and violations of trade sanctions)
- Human and labor rights violations
- Significant environmental impact

Lundbeck’s due diligence process includes training, performance monitoring, and compliance audits that emphasize continuous open dialogue with third parties.

During on-site audits of chemical suppliers, social and human rights topics - such as harassment and abusive behavior - are general topics on the agenda assessed in dialogue with suppliers. In cases in which a supplier does not fully comply with Lundbeck’s Heath, Safety, and Environment (HSE) and labor standards, a re-audit within a year is applicable to assess if adequate improvements have been made. An action plan and Corrective and Preventative Actions are agreed upon with the supplier to make sure sufficient initiatives are taken. For approved suppliers having only a basic management system for HSE and labor issues, a four-year audit cycle is applicable. If a supplier is assessed during an on-site audit to have a high level of HSE and labor rights compliance, no further audits are performed to focus Lundbeck’s resources on the suppliers that need to improve their basic systems.

HUMAN RIGHTS

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

Data privacy

Lundbeck is firmly committed to safeguarding the data protection rights of patients, employees, and research and business partners in accordance with applicable legislation, including the EU General Data Protection Regulation (GDPR) and the Danish Data Protection Act. To this end, Lundbeck has implemented a data privacy compliance program including elements such as policies and governance, risk management, incident management, as well as monitoring and oversight. Read Lundbeck's Data Privacy Policy to find out more.

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. Lundbeck’s Data Ethics Policy states the principles it commits to apply beyond staying compliant with current data protection regulations. This is especially relevant in the development or application of fast-moving, innovative digital technologies. The Data Ethics Policy shall help Lundbeck make ethical and responsible decisions on the use of data with maximal benefit and minimal harm for individuals and society.

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.

PRESENCE IN RUSSIA

Lundbeck condemns the war in Ukraine and Russia’s invasion of a free and democratic nation. Essential food supplies and medicine are often exempt from sanctions on humanitarian grounds. Lundbeck has therefore decided to continue supplying medicine to patients in Russia – something that is allowed under the current sanctions. Lundbeck closely follows the sanctions imposed against Russia to ensure compliance in our operations.
BUSINESS ETHICS

Lundbeck’s Code of Conduct is an integral part of its business ethics and compliance culture. The Code of Conduct conveys to employees and external partners Lundbeck’s steadfast commitment to ensuring it continues to do the right thing by adhering to high expectations when conducting ethical business in Lundbeck’s name.

All Lundbeck employees and relevant contractors as well as third parties working on Lundbeck’s behalf are obliged to follow the Code of Conduct and adhere to stricter local laws, codes, and regulations as appropriate. All employees are required to receive both onboarding and in-class training when joining Lundbeck, as well as to complete and certify Code of Conduct e-learning training on an annual basis. Both the Code of Conduct document and e-learning module are available in 11 languages.

Lundbeck has implemented several measures to deter non-compliance and reduce exposure to unethical behavior. These measures include internal audits, monitoring of business activities, and a Compliance Hotline that is managed by an independent provider.

Compliance governance and management

Lundbeck’s ethical standards are defined by Executive Management. Those ethical standards are described in the Code of Conduct, which conveys Lundbeck’s commitments and the expectations to our employees for areas that are critical to the pharmaceutical industry and to us as a company.

Executive Management is also responsible for ensuring the proper roll out and implementation of these ethical standards. This is done via the Compliance Program, which include policies and procedures, auditing and monitoring, compliance hotline, etc. The role of the Chief Ethics & Compliance Officer has been established to drive the Compliance Program.

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

Lundbeck’s ethical standards are defined by Executive Management. Those ethical standards are described in the Code of Conduct, which conveys Lundbeck’s commitments and the expectations to our employees for areas that are critical to the pharmaceutical industry and to us as a company.

Lundbeck’s Compliance Committee, led by the Chief Financial Officer coordinated by the Chief Ethics & Compliance Officer, sets strategic directions for the development of Lundbeck’s global Compliance Program. Regional Compliance Officers, who report (dotted line) to the Chief Ethics & Compliance Officer, are responsible for implementing the Compliance Program in Lundbeck’s affiliates. Regional Compliance Committees, coordinated by the Regional Compliance Officers, are also established in Lundbeck’s affiliates.

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.

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

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

Transparent interactions

Lundbeck is committed to transparency and is a member of the European Federation of Pharmaceutical Industries Associations (EFPIA). Lundbeck discloses the transfers of value it makes to individual healthcare professionals and healthcare and patient organizations. Further information regarding interactions with healthcare professionals and patients, a methodological note on disclosures, and Lundbeck’s EFPIA Disclosure Code Self-Certification Scheme is available on lundbeck.com.
Promotional activities
Promotion of medicinal products is strictly regulated and monitored by local authorities and industry associations. Lundbeck is 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 Promotional and Advertising Review Committee reviews and approves HQ promotional activities and materials produced at Lundbeck headquarters in order to ensure they comply with the EFPIA and IFPMA codes. Lundbeck’s affiliates are responsible for ensuring that promotional activities, including materials, are reviewed and approved in accordance with applicable local codes and rules before the materials are used within the specific local market.

All Marketing and Medical staff are educated in Lundbeck’s Code of Conduct and in promotional compliance. Promotional compliance e-learning modules have been developed, and these are mandatory to complete for relevant employees. Corporate Compliance conducts regular audits of affiliate compliance including promotional compliance.

Audits and monitoring
Lundbeck continuously performs audit, monitoring, and control activities within compliance. Audits are carried out by the respective functions in accordance with the audit plan approved by the relevant governance bodies and stakeholders. These cover both Lundbeck’s internal processes as well as external partners such as suppliers. The status of completed audits and the observations are reported to the relevant governance and management bodies within Lundbeck, e.g. Executive Management, the Compliance Committee, and the Audit Committee.

Supplier and third-party due diligence
Lundbeck’s third-party due diligence process specifically looks at identifying and mitigating risks in relation to: corruption; 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. Environmental topics - like wastewater treatment, waste handling, and air emissions - are always on the agenda as an integrated part of Lundbeck’s on-site audits of chemical suppliers.

The due diligence process takes a risk-based approach focusing on 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. Further information regarding Lundbeck’s due diligence process is available on lundbeck.com.

<table>
<thead>
<tr>
<th>Code of Conduct compliance</th>
<th>Unit</th>
<th>Scope</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
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<tr>
<td>Total sum of all audits</td>
<td>No.</td>
<td>c.</td>
<td>375</td>
<td>353</td>
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<td>Sum of internal audits</td>
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<td>c.</td>
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<tr>
<td>Patient &amp; product safety audits</td>
<td>No.</td>
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<td>55</td>
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<tr>
<td>Health, Safety &amp; Environment audits</td>
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<tr>
<td>Business ethics and internal control audits</td>
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<td>c.</td>
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<td>65</td>
<td>151</td>
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<tr>
<td>Sum of audits of external partners</td>
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<td>Patient &amp; product safety audits</td>
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<td>c.</td>
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<td>106</td>
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<td>Health, Safety &amp; Environment audits</td>
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<td>Third parties and supplier audits</td>
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<td>56</td>
<td>23</td>
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<td>Compliance Hotline reports¹</td>
<td>No.</td>
<td>c.</td>
<td>105</td>
<td>78</td>
<td>21</td>
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<tr>
<td>Completion rate of annual Code of Conduct e-learning</td>
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<td>c.</td>
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<td>98.6</td>
<td>99.7</td>
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<td>Due diligence screenings ²</td>
<td>No.</td>
<td>c.</td>
<td>227</td>
<td>129</td>
<td>N/A</td>
</tr>
</tbody>
</table>

¹ Compliance Hotline reports were aggregated by case prior to 2022. Reports in 2022 and 2023 presented unaggregated.
² KPI added in 2022, so no 2021 numbers are available.
### Sustainability accounting policies – definitions

| **Patient & product safety audits** | Includes the following audit areas: Good Clinical Practice, Good Laboratory Practice, Good Manufacturing Practice, Good Distribution Practice, Medical Regulatory Clinical Quality Assurance (MRC QA), Pharmacovigilance Audits, Chemistry, Manufacturing, and Controls Quality Assurance (CMC QA), Corporate Product Quality (CPQ), and Animal Welfare. All audits are performed and reported by internal functions in Lundbeck. |
| **Health, Safety & Environment audits** | Process for verifying that our internal operations, as well as the operations of our suppliers and third parties, meet our expectations and requirements with regards to health & safety performance, human and labor rights performance (applicable for suppliers and third parties), and environmental performance. All audits are performed and reported by internal functions in Lundbeck. |
| **Business ethics and internal control audits** | Compliance and financial audit functions review, audit, and conduct monitoring activities of employees, as well as internal control processes. All audits are performed and reported by internal functions in Lundbeck. |
| **Third parties and supplier audits** | Third parties and suppliers are monitored and audited (based on contractual requirements and requirements stipulated in Lundbeck’s third-party obligations), including information security reviews of external personal data processors. All audits are performed and reported by internal functions in Lundbeck. |
| **Compliance Hotline reports** | All concerns reported through the Compliance Hotline, or other escalation routes, regardless of whether investigations were able to be substantiated. Data from 2021 is based on the aggregation of reports to the same specific cases. |
| **Completion rate of annual Code of Conduct e-learning** | Includes all permanent and temporary employees, excluding employees on leave. Calculated based on number of employees in the initial roll out (31 October 2023) who have completed by 14 December 2023. |
| **Due diligence screenings of suppliers and third parties** | An examination of publicly available sources to identify potential risks related to potential or existing third parties. The number contains all screenings completed, including those found to be out of scope, or withdrawn by the reporter. |

### WHISTLEBLOWER SYSTEM AND OMBUDSMAN

Lundbeck has in place a Compliance Hotline (whistleblower system) as a secure and confidential reporting channel managed by an independent provider. Lundbeck has a team of qualified investigators, who are dedicated to handling reports and investigations. All reported concerns are investigated and handled in line with Lundbeck’s global procedure. Investigations are guided by principles that manifest Lundbeck’s beliefs, including:

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

Lundbeck will not accept any retaliation or discrimination against any employee or external stakeholder who uses the Compliance Hotline in good faith or participates in an investigation. Any employee who breaches this will be subject to disciplinary actions. Lundbeck Investigators work with regional compliance and HR functions to conduct investigations and ensure the protection of whistleblowers. Lundbeck continuously works to increase visibility of the Compliance Hotline via internal awareness campaigns and externally on localized Lundbeck websites.

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. Please refer to the Product and Patient Safety section for more information.

### PUBLIC AND POLITICAL INFLUENCE

Lundbeck complies with the Danish lobby code for pharmaceutical associations. Global affiliates follow local legislation. Lundbeck’s EU lobbying activities are registered in the official transparency register, and Lundbeck had no meetings registered for 2023.

In the U.S., Lundbeck is required per federal election law to report quarterly to Congress (searchable through a public database) the costs associated with lobbying on behalf of Lundbeck (which includes consultants and trade association dues attributable to lobbying), and also disclose the issues lobbied on. Further, Lundbeck is required to semi-annually report to Congress and quarterly report to the Federal Elections Commission (searchable through a public database), a list of contributions made and the amounts. Contributions are not made to political parties, though specific individuals may be funded.
BOARD LEVEL COMMITTEES

The Board of Directors has set up three committees: The Audit Committee, the Remuneration & Nomination Committee, and the Scientific Committee. More can be read in Lundbeck’s Statutory Corporate Governance Report.

CORPORATE GOVERNANCE

Lundbeck’s 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 Lundbeck’s shareholders and for societies. More information is also available in Lundbeck’s Statutory Corporate Governance Report.

ANIMAL WELFARE

As part of the development of new treatments, Lundbeck is obliged to conduct tests on animals to ensure patients receive safe and effective medicines. Lundbeck only uses animals for research purposes when alternative models will not provide the data necessary to evaluate treatments for neurological diseases and when the benefit to patients outweighs the discomfort to the animals (Lundbeck Animal Ethics Policy). Lundbeck prioritizes animal welfare and is committed to the ethical treatment of animals used in research and adheres to best practice standards and legal requirements for animal testing. Lundbeck provides appropriate care for its animals and continuously works to improve its animal research policy and procedures as well as its 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 Lundbeck is fully committed. Lundbeck’s expectations to employees seeking alternative methods for replacing and reducing animal testing is stated in Lundbeck’s Code of Conduct and in the Animal Ethics Policy. A Lundbeck 3Rs prize is awarded annually to employees that have an idea or have implemented a measure to replace, reduce, or refine the use of animals in testing.

Additionally, a dedicated team of specialists is responsible for auditing and approving locations where testing on animals is performed on Lundbeck’s behalf. In 2023, Lundbeck conducted 26 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 internally and with external partners to improve the animal welfare as stated in the Marseille Declaration, implements 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.
Sustainability Accounting Policies

REPORTING PERIOD

All reported data are covering a full year period (1 January to 31 December 2023). The accounting policies have been applied consistently for all the years presented, if not otherwise stated. All KPIs reported in the Sustainability Report are gathered and aligned with the timeline for annual reporting of the financial data.

SCOPE

There are four different scopes used for KPIs:

a) Production sites: Valby (DK), Lumsås (DK), Valbonne (F), and Padova (I)
   Scope a is used for indicators related to accidents with absence and accident frequency, environmental management, environmental incidents, VOC emissions, production of waste, and resource flows, as these are almost entirely related to our production sites.

b) Production sites: Valby (DK), Lumsås (DK), Valbonne (F), and Padova (I), and four additional sites: Kraków (PL), La Jolla, Deerfield, and Seattle (USA)
   Scope b is applied to indicators for the consumption of energy and scope 1 and 2 GHG emissions. All emissions within operational control boundaries are included within this scope, as our rented offices at our affiliate locations are accounted as leased assets. Note that scope 1 GHG emissions include emissions from our fleet of company cars worldwide, for which scope c (all sites and all employees) applies.

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

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

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

DATA QUALITY AND CONSOLIDATION

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

DEFINITION OF INDICATORS

Accounting policies are stated along with the KPIs on pages 29-32, 36, 38, and 42 and are part of the collective Sustainability Accounting Policies.

REVISED/NEW INDICATORS IN 2023

Change in KPI scope

- In 2023, the scope for the Health and Safety KPI was expanded to cover all sites and employees (scope c). This affects the comparability with data from 2022 and prior years.

Restatement of data from previous year

- In 2023 Lundbeck improved the data quality which has led to a restatement of numbers reported for the following KPIs: High-consequence work-related accident with absence; Scope 1 GHGs; Scope 2 GHGs (market based); Scope 1 & 2 GHGs (market based); Scope 3 GHGs; Scope 3 GHGs: Purchased goods and services; Scope 3 GHGs: Up-stream transportation and distribution; Scope 3 GHGs: Business travel; Energy Consumption; Gasoil, biooil, diesel, solvents.

New indicators

No new indicators for 2023.
Reporting according to the EU taxonomy

The EU Taxonomy regulation (EU 2020/825) is a science-based classification system which aims to create a common language to help companies and investors identify sustainable economic activities. Due to its pivotal role in tackling greenwashing and in promoting the transition towards a more sustainable economy, Lundbeck considers the EU Taxonomy to be a cornerstone regulation in the sustainability reporting space in the years ahead.

In accordance with Article 8 of the EU Taxonomy and as supplemented by Annex I of the Disclosure Delegated Act (EU) 2021/2178, Lundbeck is required to report on the sustainability profile of its Turnover, Capital expenditure (CAPEX) and Operating expenditure (OPEX). This process entails the screening of Lundbeck’s economic activities against the activities listed within the EU Taxonomy’s delegated legislation (i.e. eligibility assessment), the identification of Lundbeck’s eligible Turnover, CAPEX and OPEX, and lastly the evaluation of compliance with the technical screening criteria and Minimum Safeguards, as specified in Article 3 of the regulation (i.e. alignment assessment).

The results from the eligibility and alignment assessment are summarized in eligibility and alignment KPIs for Turnover, OPEX and CAPEX, as presented in the reporting tables at page 48, 49 and 50, respectively.

Eligibility assessment:
In compliance with the regulatory timeline, Lundbeck conducted its 2022 eligibility assessment against the economic activities contributing to ‘Climate change mitigation’ and ‘Climate change adaptation’, as listed in the Climate Delegated Act (EU) 2021/2139 (Annex I and II) and the Complimentary Climate Delegated Act (EU) 2022/1214 (Annex I and II).

For this reporting period, Lundbeck was required to expand the scope of its eligibility assessment to also include newly introduced activities contributing to ‘Climate change mitigation’ and ‘Climate change adaptation’ (Regulation (EU) 2023/2485) and the economic activities which contribute to the other four environmental objectives set out in Article 9 of the EU Taxonomy (Environmental delegated Act (EU) 2023/2486):

- ‘the sustainable use and protection of water and marine resources’ (Water) – Annex I
- ‘the transition to a circular economy’ (Circular economy) - Annex II
- ‘pollution prevention and control’ (Pollution) - Annex III
- ‘the protection and restoration of biodiversity and ecosystems’ (Biodiversity) - Annex IV

Due to this being the first reporting year covering economic activities specifically relevant for the pharmaceutical industry (Pollution – Annex III), Lundbeck thoroughly evaluated the regulatory requirements and the EU Taxonomy FAQs, to design appropriate tools and methodologies to assess the eligibility of its Turnover, CAPEX and OPEX against the activities ‘1.1. Manufacture of active pharmaceutical ingredients (API) or active substances’ and ‘1.2 Manufacture of medicinal products’. As industry best practice evolves, Lundbeck expects to incorporate new learnings into future reporting.

(a) Turnover
As a global pharmaceutical company, Lundbeck recognizes turnover from the sale of pharmaceutical products (Note 2, Annual Report 2023 page 58). Accordingly, turnover eligibility was assessed by using an end-product approach, consisting of the identification of total turnover by product, the scanning of the underlying economic activities performed across each product’s value chain (i.e. Chemical Production, Pharmaceutical Bulk Production and Finished Goods Production), and lastly the mapping of the subcontractors and partners involved.

Following this approach, Lundbeck concluded that the turnover derived from the sale of its products shall be considered eligible under the economic activity ‘1.2. Manufacture of medicinal products’ (Pollution). This conclusion is consistent with the scope of our financial reporting and in line with the specifications of Annex I, point 1.1.1. of the Disclosure Delegated Act (EU) 2021/2178.

(b) CAPEX
Lundbeck assessed the eligibility of its CAPEX by reviewing the CAPEX acquisitions in the financial year (Notes 6 and 7), Annual Report 2023, page 64-66).

Upon investigating our capitalized assets and/or processes associated with Taxonomy-eligible economic activities, Lundbeck identified eligible projects under ‘7.2 Renovation of existing buildings’...
(Climate change mitigation), ‘6.5 Transport by motorbikes, passenger cars and light commercial vehicles’ (Climate change mitigation), and ‘1.2 Manufacturing of medicinal products’ (Pollution). The first two activities are associated with our building renovation works and Lundbeck’s fleet, respectively. With regards to the latter, Lundbeck identified as eligible any CAPEX projects related to the purchase of assets used in our pharmaceutical manufacturing activities at any of our production sites.

(c) OPEX
Lundbeck assessed the eligibility of its OPEX by scanning for eligible economic activities within its Statement of profit or loss (Annual Report 2023, page 51) and by reviewing the detailed descriptions of its underlying general ledger account bookings. Based on this analysis, Lundbeck identified operating expenditures related to ‘7.2 Renovation of existing buildings’ (Climate change mitigation), ‘6.5 Transport by motorbikes, passenger cars and light commercial vehicles’ (Climate change mitigation), and ‘1.2 Manufacturing of medicinal products’ (Pollution).

Future eligibility considerations
In accordance with the regulation, Lundbeck will be reviewing its eligibility assessment on a yearly basis, as to integrate any additional economic activities introduced by the European Commission’s future delegated legislation and to reflect industry best-practice.

Alignment assessment:
For the financial year 2023, Lundbeck is solely required to assess alignment for the economic activities substantially contributing to ‘Climate change mitigation’ and ‘Climate change adaptation’, pursuant to the Climate Delegated Act (EU) 2021/2139 and the Complimentary Delegated Act (EU) 2022/1214.

‘Substantial contribution’ & ‘DNSH’ criteria
To determine alignment, we assessed the technical screening criteria for our eligible 2023 activities ‘7.2 Renovation of existing buildings’ (Climate change mitigation) and ‘6.5 Transport by motorbikes, passenger cars and light commercial vehicles’ (Climate change mitigation).

Lundbeck was unable to gather sufficient evidence to determine alignment with the ‘Substantial contribution’ and the ‘Do no significant harm’ (DNSH) criteria. This is due to the need to consolidate and refine the available documentation and to establish more tailored processes to retrieve the applicable data points in the years ahead.

Minimum safeguards
Following the outcome of the technical screening criteria assessment, Lundbeck has initiated internal stakeholder engagements and scoping of the Minimum Safeguards requirements pursuant to Article 18 of the EU taxonomy but has not performed a full-scale assessment in 2023. It should be noted that Lundbeck is committed to promoting business ethics, including human and labor rights in collaboration with business partners. Lundbeck has strong governance, management, monitoring, and disclosures in place for ensuring responsible business conduct, including maintaining an ethical culture, and prevention of corruption, unethical marketing or anti-competitive behavior.

In conclusion, Lundbeck has limited Taxonomy-eligible CAPEX and OPEX for ‘Climate change mitigation’ and ‘Climate change adaptation’, none to be reported as aligned. Lundbeck has Taxonomy-eligible turnover, CAPEX and OPEX for ‘Pollution prevention and control’, to be assessed for alignment from financial year 2024.

Sustainability accounting policies - definitions

<table>
<thead>
<tr>
<th>Denominator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover denominator</strong></td>
<td>The share of turnover generated from taxonomy-eligible economic activities is divided by net sales. In order to determine the turnover generated by the Group from taxonomy-eligible economic activities, the Company allocates the relevant products to those underlying activities. This KPI is calculated through our net sales reported in our Income Statement (denominator) and disclosed as part of the Group’s Financial Statements.</td>
</tr>
<tr>
<td><strong>OPEX denominator</strong></td>
<td>Direct non-capitalized costs recorded in the Consolidated Income Statement under IFRS that relate to research and development, building renovation measures, short-term lease, maintenance and repair (excluding expenses reported as raw materials and consumables used), and any other direct expenditures inherent in our manufacturing processes (included in cost of sales), relating to the day-to-day servicing of assets or Property, Plant, and Equipment (PPE).</td>
</tr>
<tr>
<td><strong>CAPEX denominator</strong></td>
<td>Additions to tangible and intangible assets accounted for in the Consolidated Financial Statements under IFRS during the financial year, considered before depreciation, amortization, and any re-measurements, excluding Goodwill (included in Notes 6 and 7 in the Financial Statements).</td>
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</table>
## EU Taxonomy - Turnover

### Financial year N

<table>
<thead>
<tr>
<th>Economic activities (1)</th>
<th>Codes (a) (2)</th>
<th>Turnover (3)</th>
<th>Proportion of turnover year 2023 (4)</th>
<th>Substantial contribution criteria</th>
<th>DNSH criteria (&quot;Does Not Significantly Harm&quot;) (h)</th>
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<tr>
<td></td>
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<td></td>
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<td>Climate change mitigation (5)</td>
<td>Water (7)</td>
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<td></td>
<td>Pollution (8)</td>
<td>Circular Economy (9)</td>
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<td>Biodiversity (10)</td>
<td>Climate change adaptation (12)</td>
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<td>Pollution (14)</td>
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<td></td>
<td>Circular Economy (15)</td>
<td>Biodiversity (16)</td>
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<td></td>
<td></td>
<td></td>
<td>Minimum safeguards (17)</td>
<td>Proportion of taxonomy aligned (A.1.) or eligible (A.2.) turnover year 2022 (18)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td>Proportion (%)</td>
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<td></td>
<td></td>
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<td>Y/N N/EL</td>
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<td>Y/N N/EL</td>
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### A. TAXONOMY-ELIGIBLE ACTIVITIES

#### A.1. Environmentally sustainable activities (Taxonomy-aligned)

None

<table>
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<tr>
<th>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</th>
<th>0</th>
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#### A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)

<table>
<thead>
<tr>
<th>Manufacture of medicinal products PPC 1.2</th>
<th>19.448</th>
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<th>N/EL</th>
<th>N/EL</th>
<th>N/EL</th>
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<tbody>
<tr>
<td>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</td>
<td>19.448</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### A. Turnover of Taxonomy-eligible activities (A.1+A.2)

| 19.448 | 100% | -    | -    | -    | 100% | -  | -    | -  |

### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

| Turnover of Taxonomy-non-eligible activities  | - | 0% |

### TOTAL

| 19.448 | 100% |
EU Taxonomy - OPEX

<table>
<thead>
<tr>
<th>Financial year N</th>
<th>Codes (a) (2)</th>
<th>OpEx (3)</th>
<th>Proportion of OpEx, year 2023 (4)</th>
<th>Substantial contribution criteria</th>
<th>DNSH criteria (“Does Not Significantly Harm”) (h)</th>
<th>Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)</th>
<th>Category enabling activity (19)</th>
<th>Category transitional activity (20)</th>
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</thead>
<tbody>
<tr>
<td>Economic activities (1)</td>
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<tr>
<td></td>
<td>DKKm</td>
<td>%</td>
<td>Y; N; N/EL (b) (c)</td>
<td>Y; N; N/EL (b) (c)</td>
<td>Y; N; N/EL (b) (c)</td>
<td>Y; N; N/EL (b) (c)</td>
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<td></td>
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<td></td>
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<tr>
<td>Of which Enabling</td>
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<tr>
<td>Of which Transitional</td>
<td></td>
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<td><strong>A. TAXONOMY-ELIGIBLE ACTIVITIES</strong></td>
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<tr>
<td><strong>A.1. Environmentally sustainable activities (Taxonomy-aligned)</strong></td>
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<td></td>
<td></td>
<td></td>
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<td>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</td>
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<td>0%</td>
<td></td>
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<td>Of which Enabling</td>
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<tr>
<td><strong>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)</strong></td>
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</tr>
<tr>
<td>Manufacture of medicinal products</td>
<td>PPC 1.2</td>
<td>3.035</td>
<td>45%</td>
<td>N/EL</td>
<td>N/EL</td>
<td>EL</td>
<td>N/EL</td>
<td>N/EL</td>
</tr>
<tr>
<td>Transport by motorbikes, passenger cars and light commercial vehicles</td>
<td>CCM 6.5</td>
<td>206</td>
<td>3%</td>
<td>EL</td>
<td>N/EL</td>
<td>N/EL</td>
<td>EL</td>
<td>N/EL</td>
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<tr>
<td>Renovation of existing buildings</td>
<td>CCM 7.2</td>
<td>33</td>
<td>0%</td>
<td>EL</td>
<td>N/EL</td>
<td>N/EL</td>
<td>EL</td>
<td>N/EL</td>
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<tr>
<td>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</td>
<td>3.274</td>
<td>48%</td>
<td>3%</td>
<td>-</td>
<td>-</td>
<td>45%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>A. OpEx of Taxonomy-eligible activities (A.1+A.2)</strong></td>
<td>3.274</td>
<td>48%</td>
<td>3%</td>
<td>-</td>
<td>-</td>
<td>45%</td>
<td>-</td>
<td>-</td>
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<td><strong>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</strong></td>
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<tr>
<td>OpEx of Taxonomy-non-eligible activities</td>
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<td>52%</td>
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<td><strong>TOTAL</strong></td>
<td>6.755</td>
<td>100%</td>
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</table>
## EU Taxonomy - CAPEX

### A. TAXONOMY-ELIGIBLE ACTIVITIES

#### A.1. Environmentally sustainable activities (Taxonomy-aligned)

<table>
<thead>
<tr>
<th>Economic activities (1)</th>
<th>Codes (a) (2)</th>
<th>CapEx (3)</th>
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<th>Substantial contribution criteria</th>
<th>DNSH criteria ('Does Not Significantly Harm') (h)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>DKKm</td>
<td>%</td>
<td>N/EL (b) (c)</td>
<td>Y/N</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Y/N (b) (c)</td>
<td>Y/N</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Y/N (b) (c)</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Y/N (b) (c)</td>
<td>Y/N</td>
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None

CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)

<table>
<thead>
<tr>
<th></th>
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<th>EL: N/EL (f)</th>
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</thead>
<tbody>
<tr>
<td>Manufacture of medicinal products</td>
<td>PPC 1.2</td>
<td>102</td>
<td>20%</td>
<td>N/EL</td>
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</tr>
<tr>
<td>Transport by motorbikes, passenger cars and light commercial vehicles</td>
<td>CCM 6.5</td>
<td>9</td>
<td>2%</td>
<td>EL</td>
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</tr>
<tr>
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<td>CCM 7.1</td>
<td>-</td>
<td>0%</td>
<td>N/EL</td>
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</tr>
<tr>
<td>Renovation of existing buildings</td>
<td>CCM 7.2</td>
<td>24</td>
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<td>EL</td>
<td>N/EL</td>
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</table>

CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)

<table>
<thead>
<tr>
<th>Category enabling activity</th>
<th>EL: N/EL (f)</th>
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<th>EL: N/EL (f)</th>
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<td>5%</td>
<td>EL</td>
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</table>

#### A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)

None

CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)

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<thead>
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<th></th>
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</table>

#### A. CapEx of Taxonomy-eligible activities (A.1+A.2)

<table>
<thead>
<tr>
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#### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

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#### A. CapEx of Taxonomy-eligible activities (A.1+A.2)

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#### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

<table>
<thead>
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### A. CapEx of Taxonomy-eligible activities (A.1+A.2)

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#### A. CapEx of Taxonomy-eligible activities (A.1+A.2)

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#### B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

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</tbody>
</table>
Management Statement regarding the 2023 Sustainability Report

The Board of Directors and the registered Executive Management have today considered and approved the 2023 Sustainability Report of H. Lundbeck A/S for the reporting period 1 January to 31 December 2023.

The Sustainability Data in the 2023 Sustainability Report has been prepared in accordance with the stated sustainability accounting policies, the Greenhouse Gas Protocol guidelines regarding our carbon footprint, and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

In our opinion, the Sustainability Report represents a reasonable, fair, and balanced representation of the Group’s social responsibility and sustainability performance and are prepared in accordance with the stated accounting policies.

Copenhagen, 7 February 2024

REGISTERED EXECUTIVE MANAGEMENT

Charl Gerhard Van Zyl
President and CEO

Lars Bang
Executive Vice President, Product, Development & Supply

Joerg Hornstein
Executive Vice President, CFO

Per Johan Luthman
Executive Vice President, Research & Development

Jacob Tolstrup
Executive Vice President, Commercial Operations

BOARD OF DIRECTORS

Lars Søren Rasmussen
Chair of the Board

Lene Skole-Sørensen
Deputy Chair

Santiago Arroyo

Jeffrey Berkowitz

Lars Erik Holmqvist

Jeremy Max Levin

Jakob Riis

Ilse Dorothea Wenzel

Hossein Armandi
Employee representative

Lasse Skibsbye
Employee representative

Dorte Clausen
Employee representative

Camilla Gram Andersson
Employee representative
Independent limited assurance report on the Sustainability Data

TO THE STAKEHOLDERS OF H. LUNDBECK A/S

H. Lundbeck A/S (‘Lundbeck’) engaged us to provide limited assurance on the Sustainability Data included in the Sustainability Statements on pages 29 - 44 for the period 1 January - 31 December 2023 (the “Sustainability Data”).

Our conclusion
Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us not to believe that the Sustainability Data for the period 1 January - 31 December 2023 for Lundbeck are prepared, in all material respects, in accordance with the Sustainability Accounting Policies developed by Lundbeck as stated on pages 29 - 44 (the “accounting policies”).

We express limited assurance in our conclusion.

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

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

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

Understanding reporting and measurement methodologies
The Sustainability Data needs to be read and understood together with the accounting policies. The accounting policies used for the preparation of the Sustainability Data are accounting policies developed by the company, which Management is solely responsible for selecting and applying.

The absence of a significant body of established practice on which to draw to evaluate and measure Sustainability 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 misstatement of the Sustainability Information. In doing so and based on our professional judgement, we:

- Evaluated the appropriateness of the accounting policies used, their consistent application and related disclosures;
- Made inquiries and conducted interviews with management with responsibility for management and reporting of the Sustainability Data to assess reporting and
consolidation process, use of company-wide systems and controls performed;
• Performed limited substantive testing on a sample basis to underlying documentation and evaluated the appropriateness of quantification methods and compliance with the accounting policies for preparing Sustainability Data at corporate head office and in relation to selected reporting sites;
• Performed analytical review and trend explanation of the Sustainability Information; and
• Evaluated the evidence obtained.

Management’s responsibilities
Management is responsible for:
• Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that are free from material misstatement, whether due to fraud or error;
• Establishing objective accounting policies for preparing the Sustainability Information;
• Measuring and reporting the information in the Sustainability Information based on the accounting policies; and
• The content of the Sustainability Information.

Our responsibility
We are responsible for:
• Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information for the period 1 January - 31 December 2023 are prepared, in all material respects, in accordance with the accounting policies;
• Forming an independent conclusion, based on the procedures performed and the evidence obtained; and
• Reporting our conclusion to the stakeholders of the Company.

Hellerup 7 February 2024

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