

H. Lundbeck A/S

2024 CDP Corporate Questionnaire 2024

Word version

.

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

Terms of disclosure for corporate questionnaire 2024 - CDP

Contents

C1. Introduction	6
(1.1) In which language are you submitting your response?	6
(1.2) Select the currency used for all financial information disclosed throughout your response	6
(1.3) Provide an overview and introduction to your organization	6
(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting yea	ars7
(1.4.1) What is your organization's annual revenue for the reporting period?	7
(1.5) Provide details on your reporting boundary	7
(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?	8
(1.7) Select the countries/areas in which you operate	10
(1.8) Are you able to provide geolocation data for your facilities?	10
(1.8.1) Please provide all available geolocation data for your facilities	11
(1.24) Has your organization mapped its value chain?	15
(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?	16
C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities	18
(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?	18
(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?	19
(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?	20
(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities	20
(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?	43
(2.3) Have you identified priority locations across your value chain?	44
(2.4) How does your organization define substantive effects on your organization?	45
(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems human health?	or 47

23. Disclosure of risks and opportunities	.51
(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substant effect on your organization in the future?	ive 51
(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.	ı 52
(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks	60
(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?	61
(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?	62
(3.5.1) Select the carbon pricing regulation(s) which impact your operations.	62
(3.5.3) Complete the following table for each of the tax systems you are regulated by	62
(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?	64
(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?	64
(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated that have a substantive effect on your organization in the future.	to 65
(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.	73
C4. Governance	.74
(4.1) Does your organization have a board of directors or an equivalent governing body?	74
(4.1.1) Is there board-level oversight of environmental issues within your organization?	75
(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide detail the board's oversight of environmental issues.	ls of 76
(4.2) Does your organization's board have competency on environmental issues?	78
(4.3) Is there management-level responsibility for environmental issues within your organization?	80
(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals)	82
(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?	83
(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals)	85

(4.6) Does your organization have an environmental policy that addresses environmental issues?	
(4.6.1) Provide details of your environmental policies.	
(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?	
(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (pos impact the environment?	itively or negatively)
(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directl in the reporting year?	y with policy makers 100
(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through the other intermediary organizations or individuals in the reporting year.	rade associations or 103
(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your C	DP response? 107
(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places oth response. Please attach the publication.	er than your CDP 107
C5. Business strategy	110
(5.1) Does your organization use scenario analysis to identify environmental outcomes?	110
(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.	111
(5.1.2) Provide details of the outcomes of your organization's scenario analysis.	115
(5.2) Does your organization's strategy include a climate transition plan?	117
(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?	119
(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy	120
(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.	124
(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?	126
(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition	127
(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance reporting year.	e taxonomy in the
(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.	135
(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and t for the next reporting year?	he anticipated trend
(5.10) Does your organization use an internal price on environmental externalities?	137

(5.11) Do you engage with your value chain on environmental issues?	138
(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?	139
(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?	
(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?	
(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the comp in place.	liance measures 144
(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.	150
(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain	152
(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members	155
(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?	158
C6. Environmental Performance - Consolidation Approach	
(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.	160
C9. Environmental performance - Water security	
(9.1) Are there any exclusions from your disclosure of water-related data?	
(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?	
(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reportions are they forecasted to change?	orting year, and 167
(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how to change	w it is forecasted 170
(9.2.7) Provide total water withdrawal data by source.	172
(9.2.8) Provide total water discharge data by destination	175
(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependen risks, and opportunities?	cies, impacts, 177
(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year	178
(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?	
(9.4) Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?	
(9.5) Provide a figure for your organization's total water withdrawal efficiency.	

(9.12) Provide any available water intensity values for your organization's products or services.	185
(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?	186
(9.13.1) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?	186
(9.14) Do you classify any of your current products and/or services as low water impact?	187
(9.15) Do you have any water-related targets?	188
(9.15.3) Why do you not have water-related target(s) and what are your plans to develop these in the future?	188
C10. Environmental performance - Plastics	189
(10.1) Do you have plastics-related targets, and if so what type?	189
C11. Environmental performance - Biodiversity	190
(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?	190
(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?	190
(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?	191
C13. Further information & sign off	195
(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assure third party?	ed by a 195
(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?	195
(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional not scored	al and is 197
(13.3) Provide the following information for the person that has signed off (approved) your CDP response	198
(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website	198

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☑ DKK

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

Publicly traded organization

(1.3.3) Description of organization

Lundbeck is a global pharmaceutical company highly committed to improving the quality of life of people living with brain diseases. For this purpose, Lundbeck is engaged in the research, development, manufacturing, marketing and sale of pharmaceuticals across the world. The company's products are targeted at the disease areas within psychiatry and neurology. Focus on R&D is the most important pillar in Lundbeck's ambition to improve treatment for people living with brain diseases. We are specialists in our area and have a state-of-the-art research facility in Denmark. We cooperate closely with strategic partners all over the world, ensuring the best possible foundation for innovation and the development of new treatment solutions. Lundbeck employs approximately 5,400 people worldwide. We have employees in more than 50 countries, and our products are registered in more than 100 countries. We have production facilities in Denmark, France and Italy and our research centers are based in Denmark, Italy and USA. Lundbeck generated revenue of DKK 19.9 billion in 2023. In early 2020, Lundbeck launched a new sustainability strategy. The sustainability strategy aims to ensure that our business activities are conducted in a way that supports seven Sustainable Development Goals (SDGs) and mitigates significant risks and adverse impacts. Goal 3 Good Health and Well-being is closely linked to our corporate purpose and dedication to restore brain health, so every person can be their best. Goal 13 Climate Action will drive our efforts to prepare for a zero emissions future. And then we will use our influence and act to promote Goals 5, 8, 10, 12 and 16. Climate strategy: In 2007 Lundbeck developed our first Climate strategy, making a firm commitment to minimizing CO2 emissions, and confirming our ambition to be among the leaders within the pharmaceutical industry. By the end of 2019 we decided to accelerate our actions and joined the global movement "Business Ambition for 1.5C" of leading companies aligning their business acti

Agreement. By doing so we committed to carbon neutrality no later than 2050. In 2020 we developed a Science based target that was approved according to the 1,5C scenario and by end of 2022 we submitted a Net-zero target for approval by SBTi. This target includes a reduction of carbon emissions from production and fleet drastically by 42% and reduce our carbon footprint outside our premises by 25% in the period 2019-2029. The target was verified by SBTi primo 2024. Production and fleet take up app. 20% of our entire footprint and our scope 3 target include 2/3 of our scope 3 emissions in the categories: Purchased goods and services (66% of total footprint), Upstream transportation and distribution (5% of total footprint) and Business travel (9% of total footprint). To support our Net zero ambition in 2050 we developed a Transition plan in 2022, which was published in beginning of 2023 along with our Annual Sustainability report. [Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
12/31/2023	Select from: ✓ Yes	Select from: ✓ No

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

1991

(1.5) Provide details on your reporting boundary.

Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
Select from: ✓ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

🗹 Yes

(1.6.2) Provide your unique identifier

XS2243299463

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

✓ Yes

(1.6.2) Provide your unique identifier

DK0061804697

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

🗹 No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

🗹 No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

🗹 No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

🗹 Yes

(1.6.2) Provide your unique identifier

5493006R4KC2OI5D3470

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

🗹 No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

🗹 No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

- ☑ Denmark
- ✓ France

✓ Italy

✓ Poland

☑ United States of America

(1.8) Are you able to provide geolocation data for your facilities?

(1.8.1) Are you able to provide geolocation data for your facilities?

Select from:

✓ Yes, for all facilities

(1.8.2) Comment

Yes, geolocation is decided based on the specific addresses where our sites are located. The tool used is locating the address on Google Maps and copying the geolocation from the information provided by Google Maps. [Fixed row]

(1.8.1) Please provide all available geolocation data for your facilities.

Row 1

(1.8.1.1) Identifier Site Valby (1.8.1.2) Latitude 55.658035 (1.8.1.3) Longitude

12.516765

(1.8.1.4) Comment

Headquarter site and Pharmaceutical production

Row 2

(1.8.1.1) Identifier

Site Lumsås, Denmark

(1.8.1.2) Latitude

55.94317

(1.8.1.3) Longitude

11.512057

(1.8.1.4) Comment

Chemical site

Row 3

(1.8.1.1) Identifier

Site Padova, Italy

(1.8.1.2) Latitude

45.410201

(1.8.1.3) Longitude

11.926138

(1.8.1.4) Comment

Chemical site

Row 4

(1.8.1.1) Identifier

Site Elaiapharm, France

(1.8.1.2) Latitude

43.628082

(1.8.1.3) Longitude

7.051954

(1.8.1.4) Comment

Pharmaceutical site

Row 5

(1.8.1.1) Identifier

Affiliate - La Jolla, USA

(1.8.1.2) Latitude

32.902291

(1.8.1.3) Longitude

-117.236373

(1.8.1.4) Comment

R&D Affiliate

Row 6

(1.8.1.1) Identifier

Affiliate - Seattle, USA

(1.8.1.2) Latitude

47.763859

(1.8.1.3) Longitude

-122.181455

(1.8.1.4) Comment

R&D affiliate

Row 7

(1.8.1.1) Identifier

Affiliate - Deerfield, USA

(1.8.1.2) Latitude

42.165547

(1.8.1.3) Longitude

-87.879638

(1.8.1.4) Comment

Sales affiliate

Row 8

(1.8.1.1) Identifier

Affiliate - Krakow, Poland

(1.8.1.2) Latitude

50.087748

(1.8.1.3) Longitude

19.976176

(1.8.1.4) Comment

Admin office [Add row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

✓ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

✓ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

✓ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

Climate change mapping: we have a comprehensive procurement system that registers all company-wide expenditures. We have mapped all supplier categories and calculated the greenhouse gas (GHG) emissions for all Tier 1 suppliers. In 2022, we sent a survey to 260 of our largest suppliers (Category 1: Purchased goods and services), inquiring about their climate strategy, use of renewable electricity, and electricity consumption. The survey aimed to gather information about our suppliers' maturity in climate action before developing contractual requirements for all our suppliers. Our primary goal was to explore the feasibility of requiring suppliers to use renewable electricity for the services/products they provide to us. Lundbeck has categorized all Tier 1 suppliers and mapped their potential environmental impact using tools like the WATER IMPACT INDEX by CDP, Encore, SBTN materiality tool, and WWF risk filter suite. This reveals the impact, dependencies, and risks of Lundbeck's sites and value chain on climate, water, and biodiversity. Water mapping: Lundbeck categorizes its production-related suppliers by industry to assess environmental impacts. The company utilizes the WATER IMPACT INDEX to determine the water intensity dependence of different industries. For a detailed assessment of water withdrawal risks, Lundbeck employs the World Resources Institute's Water Risk Atlas. This tool evaluates the risks at the country level, offering insights into the potential impact of Lundbeck's value chain on water resources. Biodiversity mapping: Lundbeck uses the Scape Physical Risk indicator from the WWF Risk Filter Suite. This indicator helps the company understand how its value chain could influence and rely on biodiversity. Lundbeck examines the biodiversity risk levels in the countries of its production suppliers. The Scape Physical Risk indicator includes five risk categories and reviews the condition of ecosystem services necessary for companies and their suppliers. Notably, 84% of suppliers were found in areas wit

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

✓ Yes, we have mapped or are currently in the process of mapping plastics in our value chain

(1.24.1.2) Value chain stages covered in mapping

Select all that apply

✓ Upstream value chain

Downstream value chain

✓ End-of-life management

(1.24.1.4) End-of-life management pathways mapped

Select all that apply Incineration [Fixed row] C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)		
0		
(2.1.3) To (years)		
1		

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The local business plans for the individual business units uses typically 0 - 1 year for short-term financial and strategic planning and definition of annual goals. Since 2006 we have also had annual climate targets.

Medium-term

(2.1.1) From (years)

2

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Lundbeck use the term "medium" in our financial planning looking at 2 – 5 years ahead. Due to the long perspective for climate risks and the existence of climate scenarios and the same goes for water and biodiversity, we are using 2 – 10 years as medium. This matches our climate strategy and identification of risks and opportunities. For the climate targets our medium horizon runs from 2 - 10 years which corresponds to our Science based net zero target running for 10 years from 2019 - 2029.

Long-term

(2.1.1) From (years)

5

(2.1.2) Is your long-term time horizon open ended?

Select from:

🗹 No

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Our long-term horizon for financial planning is 5 – 10 years. Due to the long perspective for climate risks and the existence of climate scenarios and the same goes for water and biodiversity, we are using 10 – 30 years for long term strategic planning. This is reflected in our climate strategy and identification of risks and opportunities running from 10 - 30 years. This is also reflected in our long-term Net Zero target running from 2019 – 2050 and our related transition plan. [Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

Process in place	Dependencies and/or impacts evaluated in this process
Select from: ✓ Yes	Select from: ✓ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Select from:	Select from:	Select from:
✓ Yes	✓ Both risks and opportunities	✓ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

✓ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

✓ Dependencies

✓ Impacts

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

✓ Upstream value chain

✓ Downstream value chain

☑ End of life management

(2.2.2.4) Coverage

Select from:

🗹 Full

(2.2.2.5) Supplier tiers covered

Select all that apply

✓ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

✓ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

(2.2.2.9) Time horizons covered

Select all that apply

✓ Short-term

✓ Medium-term

✓ Long-term

(2.2.2.11) Location-specificity used

Select all that apply

✓ Site-specific

🗹 Local

✓ Sub-national

✓ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

✓ Other commercially/publicly available tools, please specify :UNEP_Encore

Enterprise Risk Management

✓ Internal company methods

International methodologies and standards

✓ IPCC Climate Change Projections

☑ ISO 14001 Environmental Management Standard

Databases

☑ Nation-specific databases, tools, or standards

Other

✓ Materiality assessment

✓ Scenario analysis

(2.2.2.14) Partners and stakeholders considered

Select all that apply

✓ NGOs

Employees

✓ Investors

✓ Suppliers

✓ Regulators

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

✓ Yes

(2.2.2.16) Further details of process

To assess the impacts and dependencies in both its own operations and value chain, Lundbeck developed a new methodology in 2023 to comply with the European Sustainability Reporting Standards (ESRS). The methodology considers various factors: Scale: The assessment of scale is based on our target trajectory for scope 1 and 2 emissions, and for scope 3 emissions. Even emissions that align with the target trajectory are considered high. In 2023, Lundbeck's scope 1 and 2 emissions were below the target trajectory, thus assessed as medium in scale. However, our scope 3 emissions were above the target trajectory, thus assessed as absolute (the highest possible score). Scope: The scope of the impact is considered high as CO2 emissions are widespread. Irremediable Character: The irremediability of the impact is analyzed by considering factors such as available technology for remediation, political or infrastructure barriers, the time horizon for remediation, and associated costs. The methodology applied by Lundbeck to assess the impacts and dependencies related to climate reflects a balanced approach, taking into account the severity, scale, scope, and irremediable nature of the impact.

Local communities

Row 3

(2.2.2.1) Environmental issue

Select all that apply ✓ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

🗹 Risks

(2.2.2.3) Value chain stages covered

Select all that apply

✓ Direct operations

☑ Upstream value chain

✓ Downstream value chain

(2.2.2.4) Coverage

Select from:

✓ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

✓ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

✓ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

✓ Annually

(2.2.2.9) Time horizons covered

Select all that apply

✓ Short-term

✓ Medium-term

✓ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

✓ Site-specific

🗹 Local

✓ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ Other commercially/publicly available tools, please specify :Aquaduct risk atlas

Enterprise Risk Management

✓ Enterprise Risk Management

✓ Internal company methods

International methodologies and standards

✓ IPCC Climate Change Projections

Other

✓ External consultants

✓ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ✓ Drought
- ✓ Tornado
- ✓ Wildfires
- ✓ Heat waves
- ✓ Heavy precipitation (rain, hail, snow/ice)

Chronic physical

- ☑ Changing precipitation patterns and types (rain, hail, snow/ice)
- ✓ Changing temperature (air, freshwater, marine water)
- ✓ Increased severity of extreme weather events
- ✓ Sea level rise
- ✓ Water stress

Policy

- ✓ Carbon pricing mechanisms
- ☑ Changes to international law and bilateral agreements
- ☑ Changes to national legislation

Market

✓ Changing customer behavior

Reputation

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

Flood (coastal, fluvial, pluvial, ground water)
Storm (including blizzards, dust, and sandstorms)

Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

- ✓ Transition to lower emissions technology and products
- ✓ Transition to water intensive, low carbon energy sources

Liability

- ✓ Exposure to litigation
- ✓ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- ✓ NGOs
- Employees
- ✓ Investors
- ✓ Suppliers
- ✓ Regulators

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

✓ Yes

(2.2.2.16) Further details of process

The methodology used for defining and assessing risks and opportunities (R&Os) involves a structured approach that aligns with the European Sustainability Reporting Standards (ESRS). The process for identifying and assessing physical and transitional climate risks is: Physical risks (acute and chronic) in both our own operations and value chain are identified in our scenario analysis, strongly supported by our annually updated Business Impact Analysis (BIA) Report. The BIA report is the result of a process that integrates insurance inspections, risk management workshops, risk-mitigating actions, supply continuity planning, and supply chain management into one uniform process, considering risks at both the company (including suppliers and partners) and asset levels. Several internal stakeholders from engineering departments, supply chain, logistics, and the Corporate Health, Safety, and Environmental department participate in this process. An important external

✓ Local communities

stakeholder is our insurance company, which also participates. The primary focus of the report is to identify business interruption impacts and mitigate risks, securing a resilient supply chain over short, medium, and long-term time horizons. The main results from the BIA report are presented to the Executive Management once a year and included in the risk register. The risk register is processed by the risk management organization and evaluated by our central Risk Office. The Risk Office assesses the overall risk exposure and discusses it with the Executive Management. Finally, a key risk overview is reviewed by the audit committee and shared with the Board of Directors. Transitional risks, such as reputational or regulatory risks and opportunities at both the company and asset levels, are identified in the scenario analysis but supported by an annual process performed by the Corporate Health, Safety, and Environment (HSE) department and the Compliance & Sustainability department. The process includes a guarterly assessment of current and emerging legislation (looking 1-3 years ahead) and an annual evaluation of social/reputational trends (looking 1-10 years ahead). The manager of the HSE department reports the results of the assessments quarterly to the HSE Council, which decides if actions are needed. If considered significant, the Chairman of the HSE Council reports to the Executive Management group and into the risk management system semi-annually. Significant risks and opportunities are also reported to the Climate SteerCo. Our scenario analysis covers the entire company. We use a top-down approach and evaluate several parameters: carbon pricing, fuel availability, policy regulation, technology, reputation, production and supply chain disruptions, physical damage to assets, and changes in demand for our products. Based on the TCFD and CDP Guidance documents, we have chosen the IEA NZE 2050 and the RCP 8.5 in our scenario analysis because they represent pathways to achieving the ambitious net zero CO2 emissions by 2050 and limiting the global temperature rise to 1.5C (IEA NZE) and a probably more realistic future with warming of approximately 2.7C (RCP 8.5). By using the IEA NZE, we are also looking at a scenario that corresponds to our own 1.5C aligned climate targets. For the physical scenarios, we have mainly used the forward-looking scenarios from WRI's Aqueduct atlas and the regional fact sheets from IPCC's sixth assessment report.

Row 4

(2.2.2.1) Environmental issue

Select all that apply

✓ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

✓ Direct operations

✓ Upstream value chain

✓ Downstream value chain

(2.2.2.4) Coverage

Select from:

🗹 Full

(2.2.2.5) Supplier tiers covered

Select all that apply

✓ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

✓ Annually

(2.2.2.9) Time horizons covered

Select all that apply

✓ Short-term

✓ Medium-term

✓ Long-term

(2.2.2.11) Location-specificity used

Select all that apply

✓ Site-specific

🗹 Local

✓ National

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- ✓ Enterprise Risk Management
- ✓ Risk models

International methodologies and standards

- ✓ Environmental Impact Assessment
- ☑ ISO 14001 Environmental Management Standard

Other

- ✓ Internal company methods
- ✓ Materiality assessment

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- Employees
- ✓ Investors
- Regulators

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

🗹 Yes

(2.2.2.16) Further details of process

OPPORTUNITIES are identified and managed by the decentralized business units as they have the most extensive knowledge. Evaluation of opportunities is assessed continuously several times a year, and decisions and prioritization are made within the business units. This covers both opportunities in our own operations, such as energy-reducing initiatives, and opportunities developed in cooperation with suppliers, like our collaboration with a supplier on recycling palladium. Additionally, the Corporate Health, Safety, and Environment department identifies opportunities based on regulatory inspections, third-party audits, and knowledge sharing with peers. Strategic opportunities are reported up the line organization following defined procedures for decision-making and are decided based on the priorities in our business strategy. Time horizons for identified opportunities typically range from 1-5 years, but for climate-related opportunities, the time horizon can be longer. This is also reflected in our climate transition plan, which includes milestones on the way to zero emissions by 2050. To align with the European Sustainability Reporting Standards (ESRS), we developed a new methodology in 2023 for materiality assessment that supports and strengthens the above-described process. The methodology comprises the following steps: 1. Understanding the context and mapping the value chain: This initial step involves comprehending Lundbeck's operations, corporate structure, including the value chain and the business model. It sets the foundation and the scope for the materiality assessment. 2. Identification of R&Os: This step requires identifying actual and potential risks and opportunities related to sustainability matters. It involves gathering data from various sources and stakeholders to understand the full spectrum of ESG factors that could affect the company. 3. Assessment of materiality: The identified R&Os are then assessed for their materiality from a financial perspective. This involves determining the affected stakeholders and their positions within the value chain, analyzing the external triggers or factors behind these risks or opportunities to enhance understanding, and finally categorizing the risk or opportunity based on: 1. Its likelihood in the short, medium, and long term, 2. The impact on capital triggers such as workers, company reputation, compliance, and the environment, and 3. The financial impact in the short, medium, and long term.

Row 5

(2.2.2.1) Environmental issue

Select all that apply

Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

Dependencies

✓ Impacts

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

✓ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

✓ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

✓ Annually

(2.2.2.9) Time horizons covered

Select all that apply

✓ Short-term

✓ Medium-term

✓ Long-term

(2.2.2.11) Location-specificity used

Select all that apply

✓ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- ✓ WRI Aqueduct
- ☑ WWF Water Risk Filter
- ✓ Other commercially/publicly available tools, please specify :UNEP_Encore

Other

- Materiality assessment
- ☑ Other, please specify :WATER IMPACT INDEX by CDP

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- Employees
- ✓ NGOs

✓ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

✓ Yes

(2.2.2.16) Further details of process

To assess the impacts and dependencies of water withdrawal in its operations, Lundbeck employs a methodology aligned with the European Sustainability Reporting Standards (ESRS). The methodology is applied to the company's four production sites: two located in Denmark, one in France, and one in Italy. Scale: The assessment of scale is based on two primary factors: the level of water consumption by the company and adherence to legal limits. Lundbeck's annual water withdrawal falls between 100,000 and 1,000,000 cubic meters, with the 2023 figure recorded at 219,000 cubic meters. This consumption is within the legal limits set by local authorities where the company operates. Scope: The scope of the impact is understood through a water risk analysis conducted using the WRI Aqueduct Water Risk Atlas tool. This analysis encompasses various physical aspects such as water availability, quality, quantity, accessibility, and regulatory or reputational issues. These include the shared use of water with communities and the affordability of water. Irremediable Character: The irremediability of the impact is analyzed by considering factors like available technology for remediation, political or infrastructure barriers, the time horizon for remediation, and associated costs. Lundbeck

assesses the impact of water withdrawal in its upstream value chain using the same methodology but focused on suppliers in the chemical industry, the most waterintensive sector among its suppliers. Scale: Evaluated using the WATER IMPACT INDEX from CDP, which categorizes industries by water consumption levels. Scope: Determined by country-specific water risks associated with chemical suppliers, using the WRI Water Risk Atlas tool, Aqueduct. Irremediable Character: Assessed by considering the availability of remediation technology, political or infrastructure barriers, the anticipated time frame for remediation, and associated costs. To align with the European Sustainability Reporting Standards (ESRS), we developed a new methodology in 2023 for materiality assessment that supports and strengthens the above-described process.

Row 6

(2.2.2.1) Environmental issue

Select all that apply

✓ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

✓ Risks

Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

🗹 Partial

(2.2.2.5) Supplier tiers covered

(2.2.2.7) Type of assessment

Select from:

✓ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

✓ Annually

(2.2.2.9) Time horizons covered

Select all that apply

- ✓ Short-term
- ✓ Medium-term
- ✓ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

✓ Site-specific

🗹 Local

(2.2.2.12) Tools and methods used
Commercially/publicly available tools

✓ WRI Aqueduct

✓ WWF Water Risk Filter

Other

✓ Materiality assessment

(2.2.2.13) Risk types and criteria considered

Acute physical

✓ Drought

Chronic physical

✓ Groundwater depletion

☑ Water availability at a basin/catchment level

✓ Water stress

Policy

- ✓ Increased pricing of water
- ✓ Changes to national legislation
- ☑ Increased difficulty in obtaining operations permits
- ☑ Increased difficulty in obtaining water withdrawals permit
- ☑ Statutory water withdrawal limits/changes to water allocation

Technology

✓ Transition to water efficient and low water intensity technologies and products

(2.2.2.14) Partners and stakeholders considered

Select all that apply

✓ Local communities

☑ Mandatory water efficiency, conservation, recycling, or process standards

✓ Regulators

✓ Suppliers

✓ Water utilities at a local level

☑ Other water users at the basin/catchment level

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

🗹 Yes

(2.2.2.16) Further details of process

The methodology that Lundbeck uses for defining and assessing risks and opportunities (R&Os) involves a structured approach that aligns with the European Sustainability Reporting Standards (ESRS). The methodology comprises the following steps: 1. Understanding the context and mapping the value chain: This initial step involves comprehending Lundbeck's operations, corporate structure, including the value chain and the business model. It sets the foundation and the scope for the materiality assessment. 2. Identification of R&Os: This step requires identifying actual and potential risks and opportunities related to sustainability matters. It involves gathering data from various sources and stakeholders to understand the full spectrum of ESG factors that could affect the company. 3.

Assessment of materiality: The identified R&Os are then assessed for their materiality from a financial perspective. This involves determining the affected stakeholders and their positions within the value chain, analyzing the external triggers or factors behind these risks or opportunities to enhance understanding, and finally categorizing the risk or opportunity based on: 1. Its likelihood in the short, medium, and long term, 2. The impact on capital triggers such as workers, company reputation, compliance, and the environment, and 3. The financial impact in the short, medium, and long term. Regarding the environmental topic of water, during 2023 the following risks and opportunities were identified and evaluated at Lundbeck: Risks: • Risk of cap and higher cost for water discharge/wastewater • Risk of production interruption and higher cost due to water scarcity Opportunities: • Opportunity of reducing water usage and consumption to save costs The process of identifying and assessing water risks and opportunities is monitored and reviewed annually by three key management bodies: the Steering Committee established for compliance with the CSRD, the company's Executive Management, and the Audit Committee.

Row 7

(2.2.2.1) Environmental issue

Select all that apply ✓ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

✓ Dependencies

✓ Impacts

(2.2.2.3) Value chain stages covered

Select all that apply

✓ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

✓ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

✓ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

✓ Annually

(2.2.2.9) Time horizons covered

Select all that apply

✓ Short-term

✓ Medium-term

✓ Long-term

(2.2.2.11) Location-specificity used

Select all that apply

✓ Site-specific

🗹 Local

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

✓ WWF Biodiversity Risk Filter

Other

✓ Materiality assessment

(2.2.2.14) Partners and stakeholders considered

Select all that apply

✓ Local communities

 \checkmark Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

✓ Yes

(2.2.2.16) Further details of process

The methodology applied by Lundbeck to assess the impacts and dependencies related to biodiversity reflects a balanced approach, taking into account the severity, scale, scope, and irremediable nature of the impact. Own operations: Scale: The assessment of how grave the harm is or would be is based on the subfactor "Pressure on Biodiversity" in the physical risk category of the WWF Risk Filter Suite tool. The score is based on the location in areas with a very low to very high "Pressure on Biodiversity" risk score. Scope: How widespread the harm of the impact is or would be is understood by the global location of our own operations and the level of the subfactor "Pressure on Biodiversity." It considers whether the impact spans one, two, or more continents. Irremediable Character: How hard it is to rectify the harm of the impact is analyzed by considering factors like available technology for remediation, political or infrastructure barriers, the time horizon for remediation, and associated costs. Lundbeck assesses the impact of water withdrawal in its upstream value chain using the same methodology but focused on suppliers in the chemical industry. This approach is designed to cover the extent of impact and the dependencies that arise from pressure on Biodiversity among our chemical suppliers. Scale: The evaluation of scale is based on the percentage of suppliers located in countries with a high and very high Pressure on Biodiversity (as defined by WWF – 3.4-5.0). Scope: The scope of the analysis is determined by assigning region, country, and continent-specific biodiversity impacts associated with our chemical suppliers. This is accomplished using the WWF Risk Filter Suite tool. Irremediable Character: The irremediability of the impact is scrutinized by considering the availability of remediation technology, political or infrastructure barriers, the anticipated time frame for remediation, and the costs involved.

Row 8

(2.2.2.1) Environmental issue

Select all that apply

✓ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

✓ Risks

Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

✓ Upstream value chain

(2.2.2.4) Coverage

Select from:

Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

✓ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

✓ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

✓ Annually

(2.2.2.9) Time horizons covered

Select all that apply

✓ Short-term

✓ Medium-term

✓ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

✓ Site-specific

Local

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

✓ WWF Biodiversity Risk Filter

Other

✓ Materiality assessment

(2.2.2.13) Risk types and criteria considered

Chronic physical

- ✓ Increased ecosystem vulnerability
- ✓ Increased severity of extreme weather events

Reputation

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

(2.2.2.14) Partners and stakeholders considered

Select all that apply

Local communities

✓ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

(2.2.2.16) Further details of process

The methodology that Lundbeck uses for defining and assessing risks and opportunities (R&Os) involves a structured approach that aligns with the European Sustainability Reporting Standards (ESRS). The methodology comprises the following steps: 1. Understanding the context and mapping the value chain: This initial step involves comprehending Lundbeck's operations, corporate structure, including the value chain and the business model. It sets the foundation and the scope for the materiality assessment. 2. Identification of R&Os: This step requires identifying actual and potential risks and opportunities related to sustainability matters. It involves gathering data from various sources and stakeholders to understand the full spectrum of ESG factors that could affect the company. 3. Assessment of materiality: The identified R&Os are then assessed for their materiality from a financial perspective. This involves determining the affected stakeholders and their positions within the value chain, analyzing the external triggers or factors behind these risks or opportunities to enhance understanding, and finally categorizing the risk or opportunity based on: 1. Its likelihood in the short, medium, and long term. 2. The impact on capital triggers such as workers, company reputation, compliance, and the environment, and 3. The financial impact in the short, medium, and long term. The process of identifying and assessing biodiversity risks and opportunities is monitored and reviewed annually by three key management bodies: the Steering Committee established for compliance with the CSRD, the company's Executive Management, and the Audit Committee [Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

✓ Yes

(2.2.7.2) Description of how interconnections are assessed

Lundbeck conducts two interconnection exercises annually to assess the interplay between impacts, risks, and opportunities. 1) The first exercise is part of the double materiality analysis's annual review. The conclusions from the impact assessment support the understanding of how Lundbeck impacts people and the environment, and how the identified sustainability topics might potentially result in risks or opportunities for Lundbeck and its value chain. Identifying dependencies means recognizing the positive and/or negative likely external effects (i.e., risks and opportunities) of the sustainability topic from two perspectives: To what extent can we continue to use our current resources? To what extent can we maintain our existing relationships? The second exercise utilizes the ENCORE tool from the UN Environment Programme (UNEP), which maps the company's primary Impact Drivers against Drivers of Natural Change—those affecting natural capital assets and their capacity to provide goods and services—and links them to Natural Capital assets and Ecosystem Services. This mapping creates a visual representation of the company's main impacts and their effects on various ecosystem services, classifying both categories from very low to very high, enriching the overall understanding of the business's environmental footprint.

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

✓ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

- ☑ Direct operations
- ✓ Upstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

- ✓ Areas important for biodiversity
- ☑ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities

- ☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water
- ☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity

(2.3.4) Description of process to identify priority locations

Lundbeck employs a systematic approach to identify priority locations within its operations and value chain. Annually, the company utilizes the WWF Risk Filter tool to evaluate nature-related priority locations. This tool incorporates a specific indicator, the Scape Physical Risk, which assesses various risk categories including provisioning, regulating, supporting, cultural services, and pressures on biodiversity. For instance, Lundbeck's production site in Valbonne, France, has been identified as a high-risk area with a Physical Risk score of 3.5, indicating significant vulnerability to ecosystem service provision. This score, which exceeds the WWF's high-risk threshold of 3.4, is primarily due to potential hazards such as wildfires and extreme heat. In the broader scope of its value chain, Lundbeck applies

the Scape Physical Risk to determine biodiversity risks, with 84% of suppliers located in areas of high to very high risk. To refine its focus, the company utilizes a subindicator, "Pressure on Biodiversity," which reveals that 43% of suppliers are situated in areas where business activities could adversely affect biodiversity. In relation to biodiversity, the main countries where Lundbeck presents priority suppliers are the US, India, Singapore, France, Belgium, Italy and Czech Republic. Additionally, Lundbeck leverages the WRI Aqueduct Water Risk Atlas tool to pinpoint water-related priority locations both in its own operations and value chain. This tool evaluates aspects like water availability, quality, and regulatory issues. The Padova site, in Italy being the most water-intensive production center and located in a medium-high water risk area, is a particular focus for water-related strategies. Within the value chain, the focus of water-related risk assessment is on chemical suppliers, given that this sector is the most water-intensive within Lundbeck's supply chain. Approximately 34% of our chemical suppliers are in countries categorized as having "High" or "Extremely high" water risk scores by the WRI Aqueduct Water Risk Atlas tool. These countries include India, Israel, Saudi Arabia, Belgium, and Italy. Consequently, our assessment and water-risk mitigation strategies are concentrated on the suppliers in these countries. Looking ahead, Lundbeck is committed to enhancing its processes for identifying priority locations, ensuring that its strategies are effectively tailored to mitigate environmental risks and capitalize on opportunities.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ No, we do not have a list/geospatial map of priority locations [*Fixed row*]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

✓ Qualitative

✓ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify :Revenue, Total assets, EBIT, EBITDA

(2.4.3) Change to indicator

Select from:

✓ Absolute decrease

0

(2.4.6) Metrics considered in definition

Select all that apply

☑ Other, please specify :The thresholds is set based on the financial magnitude.

(2.4.7) Application of definition

Financial risk is assessed from both qualitative and quantitative perspectives. Risks are evaluated based on their likelihood and potential financial impact to determine which risk are material for reporting. This assessment ensures that Lundbeck report information that is significant to the affected stakeholders and the users of the report.

Opportunities

(2.4.1) Type of definition

Select all that apply

✓ Qualitative

✓ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify :Financially: Revenue, Total assets, EBIT, EBITDA. Also, substantive due strategic impact

(2.4.3) Change to indicator

Select from:

(2.4.5) Absolute increase/ decrease figure

0

(2.4.6) Metrics considered in definition

Select all that apply

- Frequency of effect occurring
- ☑ Time horizon over which the effect occurs
- ✓ Likelihood of effect occurring

(2.4.7) Application of definition

Opportunities are considered from both a financial and strategic perspective. Financially, we evaluate the likelihood and potential financial impact to determine which opportunities are material for reporting. This assessment ensures that Lundbeck report information that is significant to the affected stakeholders and the users of the report. Strategically, Lundbeck assess opportunities to determine their relevance to the strategy, as they represent key actions within the strategic framework. While these opportunities are crucial from an internal strategic standpoint, they may not meet the threshold for external reporting. [Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

Lundbeck, has a system for identifying and managing potential water pollutants. Their governance framework, which includes the HSE policy, HSE system, and an action plan, ensures rigorous regulatory compliance and continuous improvement in health, safety, and environmental matters. Insights from regulatory compliance activities at our production sites in Denmark, Italy, and France have led to the creation of pollutant databases, which aid in refining action plans. Lundbeck's system is shaped by key regulations, including local and national environmental permits, EU BREF documents, and the European Pollutant Release and Transfer Register (*E*-PRTR). Lundbeck also defines Substances of Concern (SoCs) and Susbtances of Very High Concern (SVHC) based on the EU Chemical Strategy for Sustainability. We use the ChemGes system to track potential SoCs and SVHC used at our sites. Metrics derived from their understanding of pollution regulation and the management of SoCs and SVHC are used to refine our action plan. These metrics include substances that are persistent, bioaccumulative and toxic (PBT), very persistent and very bioaccumulative (vPvB), disrupt endocrine function (EDCs), have certain hazard classifications, and total organic carbon related to the use of solvents.

[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☑ Other, please specify :Active Pharmaceutical Ingredients (APIs)

(2.5.1.2) Description of water pollutant and potential impacts

Following are some examples of APIs closely monitored at Lundbeck and their associated environmental hazards include: • Aripiprazole: exhibits low acute aquatic toxicity. However, it is persistent and toxic. It is not readily biodegradable, indicating a potential long-term environmental impact. • Amitriptyline: shows moderate to high acute aquatic toxicity. • Brexpiprazole: demonstrates low to moderate acute aquatic toxicity. It is not readily biodegradable and has a very high potential for bioaccumulation. • Vortioxetine: very low acute aquatic toxicity. It is persistent and toxic, and there is a potential for it to bioaccumulate. Like Aripiprazole, it is not readily biodegradable, suggesting a potential for long-term environmental presence.

(2.5.1.3) Value chain stage

Select all that apply

Direct operations

✓ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ✓ Beyond compliance with regulatory requirements
- ☑ Implementation of integrated solid waste management systems
- ☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Lundbeck has implemented measures to manage the APIs residue from our production processes. These measures aim to reduce the Total Organic Carbon (TOC) in our wastewater. At the Lumsås site, wastewater with low organic solvent content from certain production processes is treated externally at a chemical-biological plant with carbon filtration. We conduct Chemical Oxygen Demand (COD) tests biannually using an external reference sample from the external company Eurofins, following the ISO 6060-1989 method. At the Valbonne site, initial on-site measurements of temperature, COD, and pH are conducted in a dedicated tank. If COD levels are excessively high, the water is diverted to a separate tank and transported to a specialized treatment facility. High COD water may be mixed with low COD water for discharge into public systems. If COD remains too high after mixing, the water undergoes special treatment. At the Valby site, wastewater with very high COD is stored in chemical tanks and sent externally for incineration. Wastewater with low COD is diverted to the municipal wastewater treatment facility. Water streams with high Active Pharmaceutical Ingredients (APIs) content are treated on-site through a carbon filter. At the Padova site, high COD wastewater is sent for incineration. Wastewater treatment plant. After treatment, the water is diverted to the municipal wastewater is diverted to the municipal wastewater treatment facility.

Row 2

(2.5.1.1) Water pollutant category

Select from:

✓ Other, please specify :Total organic carbon (TOC)

(2.5.1.2) Description of water pollutant and potential impacts

In relation to the Total Organic Carbon content, the main element of Lundbeck's production processes behind this source of contamination is solvents. These substances are used in the manufacture of our medicines to dissolve active ingredients and excipients and create solutions, suspensions, or emulsions. High levels of Total Organic Carbon (TOC) in wastewater streams can significantly impact the environment and human health. Environmentally, it can lead to water quality

deterioration, eutrophication, and soil acidification. These changes can harm aquatic life and alter the chemical balance of the soil. On the human health front, high TOC levels can increase the risk of waterborne diseases and exposure to harmful substances.

(2.5.1.3) Value chain stage

Select all that apply

- ☑ Direct operations
- ☑ Upstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Resource recovery
- ☑ Beyond compliance with regulatory requirements
- ☑ Implementation of integrated solid waste management systems
- ☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

Lundbeck annually sets targets to enhance the recovery and recycling of chemicals and APIs used in production. In 2023, the organic compounds recovery ratio was lower than expected in the first half due to test production of a new compound at the Lumsås site. However, the ratio improved to nearly 70% in the second half, resulting in a full-year recovery ratio of 59%, falling short of the 64% target. To improve recovery, Lundbeck introduced an initiative to transform the recovery process for three additional solvents. In 2023, approval was granted for a new Solvent Recovery Unit at the Lumsås site, expected to recover over 600m3 of solvent annually when installed in 2024 and 2025. Additionally, over 525m3 of non-reusable solvents were utilized as support fuel for our emission reduction system, reducing liquefied petroleum gas (LPG) consumption by 260 tonnes. Regarding discharge systems, each of our four production sites has specific measures. At Lumsås, TOC water pollution is mitigated by treating wastewater externally. Biannual COD tests are conducted following ISO 6060-1989. Valbonne treats industrial raw water on-site. If COD levels are high, the water is treated separately or mixed with low COD water for discharge. At Valby, wastewater with high COD is incinerated externally, while low COD water is treated municipally. High API water is treated on-site. Padova incinerates high COD wastewater and treats low COD water on-site before diverting it to a municipal facility. [Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

🗹 No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

Invironmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

In the company's environmental risk analysis, the following two risks are analyzed in relation to the issue of water: Risk of production interruptions and higher costs due to water scarcity & Risk of cap and higher cost for water discharge / waste water. For the following reasons, neither of the two risks is considered material by Lundbeck today. Lundbeck's risk of production interruptions and higher cost due to water scarcity is deemed non-material due to the company's limited high water intensity sites, efforts towards efficient water management, and the low likelihood of significant impacts from water scarcity. The company's value chain management

and regulatory compliance also contribute to this assessment. Despite potential price increases due to water scarcity, the financial impact is expected to be minimal due to Lundbeck's limited water usage in production processes. The financial risk of increased water discharge costs is considered also non-material for several reasons. The company's circularity efforts and European production centers result in moderate impact from water discharges. Lundbeck's tier 1 suppliers emit limited wastewater and are regulated locally. The low likelihood scores (1 for short- and medium-term, 2 for long-term) suggest that financial effects from additional wastewater treatment are unlikely. Current regulations limit wastewater discharge, and Lundbeck pre-treats its wastewater before release. If new legislation affects suppliers, Lundbeck can source materials from unaffected suppliers. These factors collectively render this risk non-material financially.

Plastics

(3.1.1) Environmental risks identified

Select from:

✓ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

I Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Lundbeck uses plastics both in the packaging of its products and in some of its products in the form of a microplastic called Crospovidone which is used as an excipient. None of the risks analysed in relation to the use of these plastics have been considered significant for the company. These risks are: - Risk of increased taxation on all packaging materials placed on the market: The upcoming regulation for extended producer responsibility will require companies that place large amounts of complex packaging materials on the market to pay higher taxes. Although the exact amount is currently unknown, it will be clarified in the near future. Lundbeck estimates the cost to be approximately 8 million DKK, based on current taxation in the Swedish market (see ref. "Estimated EPR cost"). This amount is not considered a material financial effect for the company. - Risk of microplastic pollution affecting the environment or the human health: considered as not material due to only having one substance considered a microplastic used as an excipient in just one product of the company, SELINCRO. In addition, the microplastic, called CROSPOVIDONE, does not present a high risk to the environment according to the European Chemical Agency (ECHA). [Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

✓ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

✓ Wildfires

(3.1.1.4) Value chain stage where the risk occurs

Select from:

✓ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

✓ France

(3.1.1.9) Organization-specific description of risk

Lundbeck has production site located in a high risk area in France. The site in France is packaging app. 2/3 of our internal produced products. It is located in the Provence-Alpes-Côte d'Azur region of France where the general temperature during summer month's is known to be high in the area, and forest areas can thus be extremely dry. Also, forest/wildfires are known to occur frequently in the south of France. According to statistics 2,500 fires have been reported each year in the period 1994 to 2016 and the number of wildfires is expected to rise. The Provence-Alpes-Côte d'Azur region was hit by wildfire as late as August 2021, but it did not reach our site. The combination of "elevated" forest close to the site (less than 12 meters on the north and east site of the site) situated above roof level, the roof construction consist of a bitumen felt with polystyrene underneath and that the site is one big common construction a roof fire is likely to involve the entire building complex with complete destruction of the site as a consequence. Thus affecting 100% of stock at the time of the fire. A fire gap analysis prepared by a third party in 2021 shows that existing sprinklers and fire alarms will not be able to limit the damage of a massive roof fire and well-trained personnel will not be able to do anything significant to inhibit the fire until the local fire brigade arrives at the site.

(3.1.1.11) Primary financial effect of the risk

Select from:

Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

Short-term

Medium-term

✓ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Likely

(3.1.1.14) Magnitude

Select from:

Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

A wildfire can in worst case course a complete destruction of the site. Thus affecting 100% of stock at the time of the fire. Every year we prepare a Business Impact Analysis (BIA) report where the biggest supply chain risks are described incl. climate related risks. This report is based on thorough analysis and insurance inspections at our sites and in 2021 we also had our insurance broker to complete a Fire Gap Analysis for our French site due to the likelihood of a wildfire to happen. In this report the present estimated loss expectancy is calculated to be 1,546 MDKK split between app. 711 MDKK for business interruptions in the period until all production is transferred and reestablished at partly our DK site and partly at an external contract manufacturing organization) and app. 776 MDKK for property loss and 59 MDKK for inventory loss. We expect that this loss will be the same in short-, medium- and long-term. Tending towards lower loss on long-term as mitigating actions are currently being implemented. Specific calculations of a slightly lower loss on long-term has not been estimated. The reason for using the same loss for short-, medium- and long-term is that after a complete burn down the entire situation will be evaluated and if rebuilding the site fire risks will be limited or removed from a potential new construction.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

✓ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

1546000000

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

1546000000

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

1546000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

1546000000

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

1546000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

1546000000

(3.1.1.25) Explanation of financial effect figure

The financial impact is calculated as part of our business impact analysis where several departments from line of business and our insurance company assess and evaluate the risk. The financial impact is estimated to loss of 1,546 MDKK split between app. 711 MDKK for business interruptions in the period until all production is transferred and reestablished at partly our DK site and partly at an external contract manufacturing organization) and app. 776 MDKK for property loss and 59 MDKK for inventory loss. We expect that this loss will be the same in short-, medium- and long-term. Tending towards lower loss on long-term as mitigating actions are

currently being implemented. Specific calculations of a slightly lower loss on long-term has not been estimated. The reason for using the same loss for short-, medium- and long-term is that after a complete burn down the entire situation will be evaluated and if rebuilding the site fire risks will be limited or removed from a potential new construction.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Increase environment-related capital expenditure

(3.1.1.27) Cost of response to risk

12900000

(3.1.1.28) Explanation of cost calculation

Cost of response to the risk can therefore be summed up by the cost for: Share of property and Business interruption insurance costs 3-5 MDKK annually (4 MDKK is used for calculating total cost for response to risk). Already performed and future Fire protection initiatives at our French site: 8.9 MDKK. In total this is app: 12.9 MDKK

(3.1.1.29) Description of response

The corrective action in case a wildfire happens is to transfer our production partly to Lundbeck's headquarter site where we have similar manufacturing facilities and partly to external contract manufacturing organizations that we already cooperate with. Our preventive actions constitute of a thorough risk identification process where we have insurance inspections and annual risk assessment workshops covering all production areas, warehouses, contract manufacturers (CMO) and suppliers. The result from these inspections and assessments are gathered in our annual Business Impact Analysis (BIA) that present business interruption impact and mitigating of risks securing a resilient supply chain. The report also includes estimated property and inventory losses. The result from this analysis determines the size of our property and business interruption insurances that are set to 8.4 MDKK for 2022/23. The additional Fire Gap analysis for our French site prepared in 2021 by our insurance broker are pointing at a devastating wildfire to be the highest climate related risk with largest impact. The gap analysis point at two main weaknesses on the site: Lack of heavy fire separation and a thick layer of polystyrene isolation on the entire roof area. During the last 3 years we have been implementing mitigating actions like: 2022: Every year a 50 meters clearing at the north and east side of the site is performed to increase factory distance to trees and bushes (mandatory by local urabnism law) 75.000 DKK/year 2021 (Q2): Trees have been cut in the east side of the site to limit wildfire hazards. Total cost: 0.372 MDKK Planned mitigating actions the next 2-3 years including:-. 2024-2027: Roof material replacement by mineral wool. Also mandatory for an onsite solar panel project initiated in 2022 and included in the business plan to a cost at app. 7.5 MDKK

Climate change

(3.1.1.1) Risk identifier

Select from:

✓ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

✓ Heavy precipitation (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

✓ United States of America

(3.1.1.9) Organization-specific description of risk

Acute physical risks like exposure to flooding can affect Lundbeck's partners and suppliers. Lundbeck have suppliers and partners all over the world and some of them are situated at locations that are considered to have a high or medium risk for acute physical risks like flooding and/or chronic physical risks like drought and temperature rise. This can lead to damaged products or missing or delayed deliveries. For the most critical suppliers and partners we do have second sources in place securing the financial impact in case of a break down at a low level. But we do have a service provider located in Tennessee, USA close to a river, where our insurance company have considered this location to have severe risk for river flooding. This service provider is running a warehouse for our medicine and in case the supplier experiences a serious flooding, large part of our medicine can be damaged, and our stock inventory seriously decreased.

(3.1.1.11) Primary financial effect of the risk

Select from:

Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

✓ Short-term

✓ Medium-term

✓ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Unlikely

(3.1.1.14) Magnitude

Select from:

✓ Medium-low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The service provider is running a warehouse for our medicine and in case the supplier experiences a serious flooding, large part of our medicine can be damaged, and our stock inventory seriously decreased. The situation has been assessed in our Business Impact Analysis process and considered to have moderate financial impact, but unlikely to happen because we have established a dual warehouse solution resulting in an overall medium-low impact. The financial figure is calculated based on our most critical climate related risk a flooding at our service provider running a warehouse in Tennessee. The risk is considered on short-, medium- and long-term as we expect that a flooding can occur several times on short-, medium- and long-term. The potential financial risk in case of a flooding is estimated to 147 MDKK each time it happens.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

🗹 Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

147000000

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

147000000

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

294000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

294000000

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

294000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

294000000

(3.1.1.25) Explanation of financial effect figure

The financial impact on short-term is constituted by the financial impact from: Inventory loss: 62 MDKK Business interruption due to loss of stock and time for moving to another warehouse (2 weeks): 85 MDKK In all: 147 MDKK. On medium- and long-term the financial figure is multiplied by 2 to cover that the financial risk can happen twice. If our warehouse supplier experiences a flooding two times, we will evaluate further cooperation with the supplier on this specific location. Therefore, the financial risk is only estimated to happen maximum two times on medium- and long-term.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

✓ Implementing buffer stocks or dual sourcing

5000000

(3.1.1.28) Explanation of cost calculation

It is difficult to separate activities that mitigates supply chain interruptions solely caused by physical climate risks. Most activities are performed due to a mix of different risks all causing loss of inventory or business interruption. To indicate a size of cost of response we can use the cost for: The Business Impact Analysis (BIA) process app: 1 MDKK and a share of the Property and Business Interruption insurance: 3-5 MDKK (4 MDKK will be used in the total calculation) In all: 5 MDKK.

(3.1.1.29) Description of response

To reduce risks from supply chain interruptions Lundbeck has a risk management process in place. The risk management process includes insurance inspections carried out by the insurance companies together with Lundbeck. As a part of this process our insurance company prepare a climate related risk assessment of our own sites and most critical suppliers ranking the risk for e.g. tsunamis, flooding, storms etc. The process also includes that all our partners prepare factory risk assessments that describes factory risks, including climate risks and how they are mitigated. Annually risk assessment workshops covering all production areas, warehouses, contract manufacturers, suppliers and supporting functions are performed. The primary focus of this process is to get an overview of business interruption impact and mitigation of risks securing a resilient supply chain e.g. by establishing dual sourcing and increasing our production flexibility. The most critical risks are gathered in a Business Impact Analysis (BIA) report. This report is also used to define the necessary coverage of our Property and Business Interruption insurance. The most substantial mitigating action to reduce business interruption caused by flooding at our warehouse service provider in Tennessee, USA, is that we have implemented dual-warehousing in Nevada, USA to secure continued supply. In the event of a flooding incident at the warehouse in Tennessee all products will be moved to the warehouse in Nevada lasting app. 2 weeks. To further reduce the period of time for resupplying lost inventory, Lundbeck will engage with manufacturers to expedite the resupply. [Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

776000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

✓ 1-10%

(3.1.2.7) Explanation of financial figures

The transition risk is approx. 10% of the assets identified as vulnerable for the risk related to wildfire risk. [Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:

(3.3.3) Comment

Lundbeck has not received any water-related fines, enforcement orders, and/or other penalties during FY2023. It should be noted that in 2023, Lundbeck received enforcement orders related to soil and water contamination caused by PFAS, a substance used during fire drills in our site Lumsås in Denmark, when it was legally permitted. However, we do not consider this a water-related regulatory violation for the following reasons: 1. It does not stem from any regulatory violation. PFAS was not an illegal substance in the years that it was used in site Lumsås for the fire drills. 2. It is primarily a soil pollution case with water pollution implications. 3. It is not related to wastewater treatment issues in our operations. [Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

Yes

(3.5.1) Select the carbon pricing regulation(s) which impact your operations.

Select all that apply

Denmark carbon tax

France carbon tax

(3.5.3) Complete the following table for each of the tax systems you are regulated by.

Denmark carbon tax

(3.5.3.1) Period start date

01/01/2023

(3.5.3.2) Period end date

12/31/2023

11

(3.5.3.4) Total cost of tax paid

1981796

(3.5.3.5) Comment

We pay energy and CO2/NOX tax on city gas. The part of the energy that is used for "process" is reimbursed. In 2023, we spent a total of DKK 3,205,964.48, applied for reimbursement for DKK 1,224,168.77 and thus ended up paying DKK 1,981,795.71 in energy and CO2/NOX tax for city gas. In Denmark we also pay energi tax for electricity. The tax on electricity in the first half of 2023 was reduced due to the energy crisis. In addition, we are applying reimbursement for the energy tax on electricity minus the EU minimum tax. In 2023, we have paid a total of DKK 6,509,451.84 in electricity tax, applied for reimbursement of DKK 6,438,083.65 and thus ended up paying DKK 71,368.19 in energy tax on electricity. District heating is also attached with a tax. In 2023 we paied 750,000 DKK and applied for reimbursement for 85,000 DKK.

France carbon tax

(3.5.3.1) Period start date	
01/01/2023	
(3.5.3.2) Period end date	
12/31/2023	
(3.5.3.3) % of total Scope 1 emissions covered by tax	

4

(3.5.3.4) Total cost of tax paid

255375

Gas: The gas tax is "TICGN or "Taxe Intérieure sur Consommation de Gaz Naturel" It costs 8.37/MWh. In 2023 we have consumed 4.069,472MWh equals to 34.050 for the year (255,375 DKK). Electricity: For Electricity the tax is named "Contribution to Public Market of Electricity" is 0.05000c/kWh. In 2023 we have consumed 7.497,079 MWh 11404 8287 for Supply Contribution 19.692 for the year (147,690 DKK). [Fixed row]

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Lundbeck wants to be a responsible company and comply with existing and future legislation. As a part of our corporate Health Safety and Environment (HSE) system, that are certified according to the international ISO 14001 standard, we have implemented a firm monitoring and compliance strategy to assure compliance with new and upcoming legislation. The strategy is described in the manual for the system and implemented locally in the HSE departments at our sites in Denmark. Italy and France. The strategy requires that all sites have a set procedure to monitor national legislation on a guarterly basis. In addition, the Corporate HSE department is also required to monitor EU legislation. Lundbeck's energy consumption is too small to be covered by EU's ETS scheme, but we are covered by national legislations on carbon taxes. CASE STUDY: Carbon tax is currently a part of the legislation in Denmark and France. The Danish carbon tax is included in our energy invoices and payed automatically together with these invoices. In Denmark where our headquarter site and one of our chemical sites are located the government will introduce a new taxation system coming into force gradually from 2025. This suggestion will increase the CO2 tax for our Danish sites with app. 3.2 MDKK/year thus promoting the use of renewable energy. Hence, we are looking into a future with increasing cost for use of fossil-based fuels. In France we are covered by two carbon tax system based on the "polluter pays" principle. The tax is levied directly on the purchase of energy (gas, petrol, electricity, etc.). Basically, all energy buyers pay this tax. The name for gas tax is "TICGN or "Taxe Intérieure sur Consommation de Gaz Naturel" and for electricity: Contribution au Service Public d'Electricité. Several scenarios like IEA NZE 2050 predict that carbon taxes will increase and will be introduced in more countries. Our strategy to minimize the impact from increasing carbon price schemes is included in our climate strategy and transition plan and our 1.5C and Net zero aligned climate targets. We have several milestones in our transition plan for moving towards renewable electricity and renewable fuels beginning in DK and expanding to our sites worldwide. 12 years ago, we replaced a large boiler using fuel oil with a new boiler using bio oil at our chemical site in DK. This reduced our CO2 emissions by app. 2000 ton/year. We are currently exploring possibilities for converting to biogas at our headquarter site and on our three other production sites we are exploring possibilities for converting our existing fossil fuel boiler to electrical boilers. Unfortunately, technology is lacking maturity for such conversion and payback time is very long at the moment. On top of this challenge some of our sites have challenges with limited power in the electricity grid. We will continue to follow these opportunities as conversion to electrical boilers will eliminate our use of fossil fuels and enable us to use renewable electricity, thus avoid carbon taxes in DK. Additionally, we are moving away from fossil based electricity to electricity based on renewables e.g. we signed a Power Purchase Agreement that started supplying our two Danish sites with electricity from a new solar park by January 2022 and 7 years ahead. This has reduced our scope 2 emissions by 3,615 tons. In 2023 we have investigated possibilities for another PPA covering the rest of our European sites incl. sales offices. We expect to sign an agreement during 2024. Additionally, we have installed on-site solar panels at our Italian site in 2022. We believe this transition make us resilient towards new and increasing carbon pricing schemes.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.6.1) Environmental opportunities identified

Select from:

☑ Yes, we have identified opportunities, and some/all are being realized

Water

(3.6.1) Environmental opportunities identified

Select from:

🗹 No

(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

☑ Opportunities exist, but none anticipated to have a substantive effect on organization

(3.6.3) Please explain

In the company's environmental risk analysis, the following opportunity is analyzed in relation to the issue of water: Opportunity of reducing water usage and consumption and save cost. The opportunity for Lundbeck to reduce water usage and consumption is considered non-material due to its limited impact, with only one site in a medium to high water risk area. The company has a strategy for efficient water use which should lessen this impact. The likelihood of this reduction is possible with planned measures and initiatives. However, the financial impact is minimal due to Lundbeck's low water usage in production, with a cost-saving range of 1-5 million DKK/year based on a 5-30% reduction. Therefore, the risk is not deemed material due to the low financial impact and likelihood. [Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

✓ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

✓ Use of renewable energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

France

🗹 Italy

(3.6.1.8) Organization specific description

Converting to renewable electricity at our sites is a strong and important contribution to Lundbeck's net zero climate targets. We have several milestones for gradually converting to 100% renewable electricity in our transition plan. In 2020 we signed a PPA with a solar panel park covering the entire electricity consumption of our two Danish sites from January 2022. Rapid adoption of a long-term PPA with renewable energy is a good opportunity to become more resilient to increased energy prices and carbon taxes/pricing schemes. Our Italian site installed on-site solar panels in 2023 that will produce 500 MWh/year corresponding to 168 tons of reduced CO2 emissions. In 2023 we explored our possibilities for entering PPA's in Europe and we expect to sign a PPA agreement for our Italian site and purchase guaranties of origin for our French site and our sales affiliates in Europe. From beginning of 2025 we will receive 100% renewable electricity at all sites and offices in Europe. These initiatives are important activities towards meeting the milestone in our climate transition plan: 100% renewable electricity in EU in 2025. This opportunity is not related to any of the reported risks.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

✓ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

✓ Short-term

Medium-term

✓ Long-term

☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

✓ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

🗹 Low

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

The financial effect is constituted of reduced electricity costs due to that we have been able to enter a PPA agreement with a favorable fixed low electricity price. In 2023 we received renewable electricity via our Danish power purchase agreement (PPA) at our two Danish sites. The PPA include a fixed price for the electricity and comparing with average spot price in 2023 we saved 8.4 MDKK/year by having the PPA agreement.

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The financial impact will increase from current year to short term and further to medium- and long-term due to that we have been able to enter PPA agreements with a favorable fixed low electricity price. In 2023 we received renewable electricity via our Danish power purchase agreement (PPA) at our two Danish sites. The PPA include a fixed price for the electricity and comparing with average spot price in 2023 we saved 8.4 MDKK/year by having the PPA agreement. On short-term we can

add the cost savings (450,000 DKK/year) related to the electricity from the solar panels that was installed at our Italian site in 2023 and on medium- and long-term we can include the cost savings from the renewable electricity we will receive from an Italian PPA we enter in 2024 delivering electricity from January 2025 (2.77 MDKK/year) but subtract the cost for GO's that we will purchase for the rest of our European sites (420.000 DKK/year) from beginning of 2025.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

✓ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

8424915

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

8874915

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

8874915

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

44899660

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

44899660

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

56124575

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

(3.6.1.23) Explanation of financial effect figures

The financial impact will increase from current year to short term and further to medium-term due to that we have been able to enter PPA agreements with a favourable fixed low electricity price. In 2023 we received renewable electricity via our Danish power purchase agreement (PPA) at our two Danish sites. The PPA include a fixed price for the electricity and comparing with average spot price in 2023 we saved app. 8.4 MDKK/year by having the PPA agreement. On short-term we can add the cost savings (450,000 DKK/year) related to the electricity from the solar panels that was installed at our Italian site and on medium term we can include the cost savings from the renewable electricity we will receive from the Italian PPA we enter in 2024, delivering electricity from January 2025 (2.77 MDKK/year) but subtract the cost for GO's that we will purchase for the rest of our European sites (420.000 DKK/year). Accumulative for medium-term the total savings are multiplied by 4 to cover the timeframe 2-5 years. On long-term 5 – 10 years the situation can change slightly as the PPA agreements expire, but in both agreements, we have included possibilities for extension. Best estimate for savings on long-term will therefore be to multiply total savings by 5 covering the long-term perspective.

(3.6.1.24) Cost to realize opportunity

1000000

(3.6.1.25) Explanation of cost calculation

Internal resources (app. 1200 hours, 600 hours for the first PPA, 300 hours for the second and 300 hours for preparing installation of solar panels) for meetings with developers, evaluation of RFP's and management meetings). Constituting app. 1 MDKK.

(3.6.1.26) Strategy to realize opportunity

Our strategy to exploit this opportunity is an integral part of our climate strategy. We have validated net zero near-term targets for scope 1 and 2 emissions and a long-term target of zero emissions in 2050. To achieve these targets a climate transition plan has been developed including several milestones for going 100% renewable within electricity and energy. First milestone is to receive 100% renewable electricity at all EU locations by 2025. In 2020 we signed our first PPA supplying our Danish sites with renewable electricity from January 2022. This agreement turned out to be beneficial both from an environmental and a financial point of view. Continuing exploiting similar possibilities have therefore been an obvious path to include in our transition plan. Governance around our climate strategy has been in place since 2020 including owners that are responsible for achieving emissions and drivers responsible for initiating and managing emission reduction initiatives. On top of that a climate steering committee has been established to track progress on targets and transition plan. Signing power purchase agreements have also been included in incentives for executive management. The solar panels at our Italian site have been governed by the engineering department at the sites and the establishment of the PPA agreement has been governed by the Corporate procurement department in close cooperation with the project manager for the Climate strategy end the engineering departments on the Italian and the French site.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

✓ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

✓ Use of recycling

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

🗹 Denmark

(3.6.1.8) Organization specific description

Lundbeck's medicine is based on chemical synthesis and production of Lundbeck's active pharmaceutical ingredients requires a large volume of organic solvents. A large portion of these solvents are today recovered and recycled internally on our Danish chemical site. Still there is a huge unrealized potential for recovery of Ethanol, Methanol, Acetone and Tetrahydrofurane. Waste streams containing these four solvents and eligible for recovery accounts for approximately 800.000 liters/year. Today these solvents are sent for incineration at external waste management plant as chemical waste. The current solvent recovery goal in our Chemical Production is 65% for 2023 and 85% in 2030. With installation of this unit, it is estimated that the overall recovery ratio will increase with 5% points. If the recovery of acetonitrile is excluded this unit will increase the remaining solvent recovery ratio from 27% to 40%. The unit will thus be a substantial corner stone in meeting the ambition of Lundbeck's climate strategy and climate transition plan. The reduction of approximately 1300 tons CO2 /year will be in Scope 3 (reduced raw material consumption). It is not expected that the operation of the solvent recovery unit will increase the CO2 emissions in scope 1 & 2.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

✓ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

✓ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

🗹 Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The investment covering the Solvent recovery Unit itself is at app. 26 MDKK as well as ancillary equipment and engineering expenses at app. 13 MDKK – in total 39.3 MDKK. Savings on sourcing of raw material is expected to be in the rage of app. 7 MDKK. The effect on operational expenses from 2026 will be app. 4 MDKK/year in depreciations and app 2 MDKK/year in other capacity cost (utilities, manpower and reduced waste cost). This leaves a slightly positive EBIT of 0.934 MDKK/year. The unit will be installed during 2024 & 2025 and expected to be up running from 2026, meaning that savings will be effective in medium- and long-term. A standard NPV calculation (7% discount rate) shows a ROI of 14 years. There is no noteworthy financial gain to be harvested, but it is an important contribution on reducing Lundbeck's carbon footprint and thus supporting the climate net zero target.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

✓ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)
(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

2790000

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

4650000

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

4650000

(3.6.1.23) Explanation of financial effect figures

It is expected that approximately 800.000 liters/year of organic solvent will be sent for recovery in the unit. The solvent recovery will save approximately 1300 MT CO2/year (CO2 emissions related to manufacturing of new solvents). Based on the new EU legislation that will come into force from 2025 the CO2 tax is estimated to be 100 EUR/MT. Anticipating that this extra cost will be attributed to the end-user - in this case probably as increased solvent prices - the solvent recovery will save app. 0.93 MDKK/year. The unit will be up running from 2026 meaning it will create savings in 3 years in the medium-term. In total: 2.79 MDKK. On the long-term 5 – 10 years we have 5 years to accumulate cost savings summing up to 5*0.93: 4.65 MDKK.

(3.6.1.24) Cost to realize opportunity

39000000

(3.6.1.25) Explanation of cost calculation

The cost of the project is constituted by: Turnkey Distillation unit, Related utility adaptations, Ciovil works, Engineering & project management and unforeseen expenses summing up to 39 MDKK. All estimates are based on a Basic Design and should be considered as /- 20%.

(3.6.1.26) Strategy to realize opportunity

The business objective is to install a Solvent Recovery Unit (SRU) in order to increase the internal recovery of organic solvents. This will reduce Lundbeck's carbon footprint through CO2e reductions and will upcycle raw materials that today is regarded as waste and sent for incineration. It is expected that approximately 800.000 liters/year of organic solvent will be sent for recovery in the unit. There are currently no authority requirements demanding the increased solvent recovery, but the unit

will be a corner stone in Lundbeck's ambition to achieve our net zero target by 2050. The existing solvent recovery activities in Chemical Production (Lumsås and Padova) has for the past years been part of Lundbeck's external communication package on climate action. In addition, the milestone in our climate transition plan including a recovery ratio of 85% will not be met without investing in further solvent recovery capabilities. The initiative is governed and managed by the Vice president and a project manager in our chemical production. [Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric	
Select from: V OPEX	
(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in	

1293000000

1.2)

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

✓ Less than 1%

(3.6.2.4) Explanation of financial figures

Energy cost is part of the financial statement line administrative expenses. [Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

🗹 Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

✓ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

- ✓ Executive directors or equivalent
- ☑ Non-executive directors or equivalent
- ☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

✓ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Lundbeck's diversity, equity and inclusion (DE&I) policy guides our actions within DE&I and makes our intentions transparent. Our dedication to restoring brain health, so every person can be their best, is only possible if our workforce is diverse, our people processes and policies are equitable, and our culture is inclusive to all. To guide and demonstrate our DE&I commitment, we have the following global aspirational targets followed by actions: • Strengthen an inclusive culture where all employees have a sense of belonging and equitable opportunities to realize their potential. • Support a neurodiverse workplace with the best possible work conditions

for our employees who have variations in their cognitive profile. • Ensure a balanced gender representation across all managerial levels and a minimum of 40% women and a minimum of 40% men in upper management* by end of 2026. Specifically for the board: Lundbeck promotes and encourages equal opportunities and diversity. In terms of the 2024 Board composition and gender, the Board of Directors consists of seven male representatives and four females: two female Board members elected by the shareholders and two elected by Lundbeck's employees. By 2026 Lundbeck is committed to achieve representation of 40% of each gender in Board of Directors, elected at the Annual General Meeting.

(4.1.6) Attach the policy (optional)

Diversity and inclusion_Policy.pdf [Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

Climate change

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

✓ Yes

Water

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

 \blacksquare No, and we do not plan to within the next two years

(4.1.1.2) Primary reason for no board-level oversight of this environmental issue

Select from:

✓ Not an immediate strategic priority

(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue

Until now, Lundbeck has measured, managed, and reported its levels of water consumption and discharge diligently across its four operational sites. In addition, the company has evaluated, among other factors, water-related issues in critical chemical suppliers for the company. The conclusion of this water resource diligent management procedures is that Lundbeck's impacts and dependency on water resources is not critical nowadays. It is a necessary resource for our production, both directly and upstream, but it is well-managed. Despite this, Lundbeck is fully aware of the importance, scarcity, and pressures on this resource globally due to climate change and other environmental and social factors. Therefore, even though it is not a strategic priority in the short term, Lundbeck conducts thorough monitoring of the impacts, dependencies, risks, and opportunities related to this resource throughout our value chain.

Biodiversity

(4.1.1.1) Board-level oversight of this environmental issue

Select from:

 \blacksquare No, and we do not plan to within the next two years

(4.1.1.2) Primary reason for no board-level oversight of this environmental issue

Select from:

✓ Not an immediate strategic priority

(4.1.1.3) Explain why your organization does not have board-level oversight of this environmental issue

Until now, Lundbeck has made an assessment of our impacts, Risks and Opportunities relating to Biodiversity. The company has evaluated, among other factors, direct drivers of biodiversity loss, Impact on the state of species, Impacts on the extend and condition of ecosystems and impacts and dependencies on eco system services. The conclusion of this biodiversity diligent management process is that Lundbeck's impacts and dependency on biodiversity is not material. Lundbeck is fully aware of the importance and pressures on biodiversity globally due to climate change, pollution and other environmental and social factors. Therefore, even though it is not a strategic priority in the short term, Lundbeck conducts thorough monitoring of the impacts, dependencies, risks, and opportunities related to this resource throughout our value chain. [Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

Other C-Suite Officer

✓ Board-level committee

☑ Other, please specify :Senior director for Health, safety and environment

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

🗹 Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

Board Terms of Reference

Individual role descriptions

☑ Other policy applicable to the board, please specify :Sustainability strategy, HSE policy and Position on Climate change

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ✓ Reviewing and guiding annual budgets
- \blacksquare Overseeing the setting of corporate targets
- \blacksquare Monitoring progress towards corporate targets
- ✓ Approving corporate policies and/or commitments
- \blacksquare Overseeing and guiding public policy engagement

- ☑ Reviewing and guiding innovation/R&D priorities
- ☑ Approving and/or overseeing employee incentives
- ${\ensuremath{\overline{\mathrm{v}}}}$ Overseeing and guiding major capital expenditures
- \blacksquare Monitoring the implementation of the business strategy
- $\ensuremath{\overline{\ensuremath{\mathcal{M}}}}$ Monitoring the implementation of a climate transition plan

- ☑ Overseeing and guiding the development of a business strategy
- ☑ Overseeing and guiding acquisitions, mergers, and divestitures
- ☑ Overseeing and guiding the development of a climate transition plan
- ☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

At Lundbeck, we have a two-tier management structure consisting of the Board of Directors and Executive Management. The Board of Directors has set up an Audit Committee that advise the Board. The audit committee is among other things responsible for reviewing and approving the sustainability strategy where climate action is included as one of the top priorities. The CEO has the highest responsibility of the sustainability strategy and present major decisions to the board and committees when relevant. The Executive Vice President of Product Development & Supply (C-suite officer) supported by the Senior director for Health, Safety and Environment which also is board member is responsible for preparing suggestions for decision. The CEO has appointed the Executive Vice President of Product Development & Supply (PDS) to have the highest responsibility on the climate strategy, climate performance and management and to chair the Climate steering committee. The Climate Steering committee has the highest level of responsibility for climate change and approve our climate targets and strategy before consolidation in the Executive management group. The Steering committee has the responsibility for overseeing progress against targets, initiatives and milestones in our climate transition plan and take necessary decisions regarding e.g. developing targets, governance structure and employee incentives for implementing climate initiatives, budgets for climate initiatives, supplier engagement model and development of our climate transition plan. In 2024 it was approved that the Steering committee for climate change also should approve identified climate related impacts, risks and opportunities before inclusion in the risk management process and in the newly developed double materiality assessment. Examples of major decisions that has been approved by Executive management and informed to the Board are our decisions in Dec 2019 to join the "Business Ambition for 1.5C" of leading companies aligning their business actions with the most ambitious aim of the Paris Agreement, our SBTi targets (latest our net zero target) and our climate transition plan. Additionally, we include status on scope 1 and 2 climate targets in our quarterly financial release. These announcements are carefully reviewed at Board meetings. [Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

✓ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☑ Consulting regularly with an internal, permanent, subject-expert working group
- ☑ Engaging regularly with external stakeholders and experts on environmental issues
- Z Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

Course certificate (relating to environmental issues), please specify :Copenhagen Business School and Danish Industry

Experience

- Z Executive-level experience in a role focused on environmental issues
- ☑ Management-level experience in a role focused on environmental issues
- ☑ Experience in an academic role focused on environmental issues
- ☑ Active member of an environmental committee or organization

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

✓ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☑ Consulting regularly with an internal, permanent, subject-expert working group
- ☑ Engaging regularly with external stakeholders and experts on environmental issues
- Z Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- ☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

✓ Training in an environmental subject by a certified organization, please specify :Bureau Veritas Certification, Copenhagen Business School and Danish Industry

Experience

- ☑ Management-level experience in a role focused on environmental issues
- ☑ Staff-level experience in a role focused on environmental issues
- ☑ Experience in an academic role focused on environmental issues
- ☑ Active member of an environmental committee or organization

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

Climate change

(4.3.1) Management-level responsibility for this environmental issue

Select from:

✓ Yes

Water

(4.3.1) Management-level responsibility for this environmental issue

Select from:

 \blacksquare No, and we do not plan to within the next two years

(4.3.2) Primary reason for no management-level responsibility for environmental issues

(4.3.3) Explain why your organization does not have management-level responsibility for environmental issues

Until now, Lundbeck has measured, managed, and reported its levels of water consumption and discharge diligently across its four operational sites. In addition, the company has evaluated, among other factors, water-related issues in critical chemical suppliers for the company. The conclusion of this water resource diligent management procedures is that Lundbeck's impacts and dependency on water resources is not critical nowadays. It is a necessary resource for our production, both directly and upstream, but it is well-managed. Despite this, Lundbeck is fully aware of the importance, scarcity, and pressures on this resource globally due to climate change and other environmental and social factors. Therefore, even though it is not a strategic priority in the short term, Lundbeck conducts thorough monitoring of the impacts, dependencies, risks, and opportunities related to this resource throughout our value chain.

Biodiversity

(4.3.1) Management-level responsibility for this environmental issue

Select from:

 \blacksquare No, and we do not plan to within the next two years

(4.3.2) Primary reason for no management-level responsibility for environmental issues

Select from:

✓ Not an immediate strategic priority

(4.3.3) Explain why your organization does not have management-level responsibility for environmental issues

Until now, Lundbeck has made an assessment of our impacts, Risks and Opportunities relating to Biodiversity. The company has evaluated, among other factors, direct drivers of biodiversity loss, Impact on the state of species, Impacts on the extend and condition of ecosystems and impacts and dependencies on eco system services. The conclusion of this biodiversity diligent management process is that Lundbeck's impacts and dependency on biodiversity is not material. Lundbeck is fully aware of the importance and pressures on biodiversity globally due to climate change, pollution and other environmental and social factors. Therefore, even though it is not a strategic priority in the short term, Lundbeck conducts thorough monitoring of the impacts, dependencies, risks, and opportunities related to this resource throughout our value chain. [Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify :Executive Vice President of Product Development & Supply

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- ☑ Measuring progress towards environmental science-based targets
- Setting corporate environmental policies and/or commitments
- ✓ Setting corporate environmental targets

Strategy and financial planning

✓ Developing a climate transition plan

environmental issues

- ✓ Implementing a climate transition plan
- ☑ Managing annual budgets related to environmental issues
- ☑ Implementing the business strategy related to environmental issues
- ☑ Managing major capital and/or operational expenditures relating to

☑ Developing a business strategy which considers environmental issues

Other

✓ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from: Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

✓ Quarterly

(4.3.1.6) Please explain

Our CEO has appointed our C-Suite Officer, the Executive Vice President (EVP) of Global Product Development & Supply (PDS) to have the highest responsibility on climate related issues (Ambition, targets, performance and reporting of risks and opportunities) and to report to Executive management and the board. The EVP of PDS: - Participate at Board meetings and is responsible for reporting on progress against scope 1 and 2 targets as part of the Quarterly release, presenting significant decisions within climate change like joining the "Business Ambition for 1.5C", Science Based Targets and the transition plan. - Is member of the Executive management and responsible for reporting on progress on scope 1, 2 and 3 targets on a quarterly basis and for presenting significant decisions within environment and climate change like submission of Science Based Targets, Power purchase agreements, Transition plan, Value chain engagement. - Is chairing the Climate steering committee which has the responsibility for developing targets, transition plan, strategy, initiatives and follow progress against targets and take necessary decisions to achieve the targets including prioritizing among needed initiatives. The climate steering committee has 3 meetings a year. - Employee incentives for internal key stakeholders within HSE issues and define environmental policies, strategies and targets. - Is chairing the Verall responsibility for all production and facility management and the overall responsibility for Lundbeck's energy costs and Power purchase agreements. Manage large investments at all production sites e.g. the installation of a large recycling unit for solvents at one of our chemical sites. - Reporting in the Corporate risk register - Communicate corporate decisions to managers and employees at all sites.

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

🗹 Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

3

(4.5.3) Please explain

The Management defines and owns the Sustainability Strategy and prioritizes. A share (10%) of their short-term incentive program is linked to performance on targets related to the sustainability strategy. 3% is related to climate action. Lundbeck continuously set ambitious targets, report progress on the targets and disclose a set of externally reviewed ESG indicators across all areas of corporate sustainability. The pay-out level reflects an overall dedicated effort with sustainability.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

 \blacksquare No, and we do not plan to introduce them in the next two years

(4.5.3) Please explain

Until now, Lundbeck has measured, managed, and reported its levels of water consumption and discharge diligently across its four operational centers. In addition, the company has evaluated, water-related issues in critical chemical suppliers for the company. The conclusion of this resource management procedures is that Lundbeck's impacts and dependency on water resources is not critical. It is a necessary resource for our production, both directly and upstream, but it is well-managed. Despite this, Lundbeck is fully aware of the importance, scarcity, and pressures on this resource globally. Therefore, even though it is not a strategic priority in the short term, Lundbeck conducts thorough monitoring of the impacts, dependencies, risks, and opportunities related to this resource. The current lack of strategic criticality regarding water resources makes it unnecessary to propose a system of incentives around this environmental issue. [Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level ✓ Board/Executive board

(4.5.1.2) Incentives

Select all that apply

Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- ✓ Progress towards environmental targets
- ✓ Achievement of environmental targets
- ☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

✓ Achievement of climate transition plan

Emission reduction

- ☑ Implementation of an emissions reduction initiative
- ☑ Increased share of renewable energy in total energy consumption
- ✓ Reduction in absolute emissions

Resource use and efficiency

☑ Improvements in emissions data, reporting, and third-party verification

Policies and commitments

- ☑ Increased supplier compliance with environmental requirements
- ☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

THE CASH-BASED SHORT-TERM INCENTIVE SCHEME (STI) In 2023, the Management participated in a STI program. On an annual basis, the Board assess the performance of the Management in relation to predetermined company performance financial goals (EBIT and revenue) and Management team goals (pipeline and sustainability). In 2023, the Management received a company performance payout (accounting for 65% of total cash bonus) based on financial KPI performance, with Revenue and EBIT results at a level above target. The STI totaled DKK 3.1 million, corresponding to 96% of the maximum bonus prorated based on time of employment in 2023. The bonus payout reflects a Lundbeck performance above target for all KPIs, EBIT (40%), revenue (25%), Pipeline (25%) and Sustainability (10%)

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentives contribute to achievement of our climate targets and directly to achieving three of the milestones in our climate transition plan. The targets are: 1. Reduce total carbon footprint across own operations, supply and distribution in line with our Science based target. 2. Recycle 64% of the organic compounds used in chemical production. 3. Recycle 73% of general waste. These activities are directly linked to milestones in our transition plan listed in the same order: 1. By 2025 have top 50 suppliers to sign our contractual climate commitments requiring suppliers to use renewable electricity or have climate targets aligned with the Paris agreement and to deliver data annually. 2. By 2030 85% of solvents are recycled in chemical production. 1. By 2035 emissions from packaging and finished goods are reduced by 60%.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Facility/Unit/Site management

✓ Facilities manager

(4.5.1.2) Incentives

Select all that apply ✓ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- ✓ Progress towards environmental targets
- Achievement of environmental targets

Strategy and financial planning

☑ Achievement of climate transition plan

Emission reduction

- ✓ Implementation of an emissions reduction initiative
- ☑ Increased share of renewable energy in total energy consumption

Resource use and efficiency

- Energy efficiency improvement
- ✓ Reduction in total energy consumption

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Incentives description: Climate: Develop and execute a 2023 plan with impactful initiatives to significantly reduce CO2 emissions (Scope 1, 2 and 3) by end of 2023. • Decision on new energy management system (EMS) •Optimization of central heating system • Reduce energy consumption by 200 MWh • 3-year plan (2024-2026) with initiatives to reduce CO2 emissions o Recommendation for new gas agreement (Oct 2025) o Energy review performed by external consultant. Quantitative details and the performance indicator: 5% of salary Regional, sectoral and/or operational context: Site level, operational context.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentive contributes to achievement of: - Annual and long term Scope 1 and 2 absolute targets - Annual target on share of renewable energy and a similar KPI in our Sustainability linked loan - Achievement of milestones in Climate transition plan

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

Procurement manager

(4.5.1.2) Incentives

Select all that apply

Bonus - % of salary

(4.5.1.3) Performance metrics

Strategy and financial planning

Achievement of climate transition plan

Emission reduction

☑ Other emission reduction-related metrics, please specify :Emission reduction in scope 3

Policies and commitments

- ☑ Increased supplier compliance with environmental requirements
- ☑ New or tighter environmental requirements applied to purchasing practices

Engagement

☑ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Our Senior vice president of Corp. Procurement has following target as part of the bonus goals: Execute on a 2023 plan with impactful initiatives to significantly reduce CO2 emissions (Scope 1, 2 and 3) by end of 2023. - Appoint resources to implement initiatives in the plan for 2023. - Develop a 3 year plan (2024 – 2026) with impactful initiatives to significantly reduce CO2 emissions (Scope 1, 2 and 3) by end August 2023. The developed 2024-2026 plan includes e.g.: Emission amendments requesting suppliers to use renewable electricity and report emission data agreed and signed with top 300 vendors in 2025 (50 signed in 2023, 150 signed in 2024 and 300 signed in 2025), 4 key sourcing projects finalized 1) Global Travel emission data transparency 2) HQ car fleet policy 3) European Renewable Electricity Project (scope 2) 4) US Renewable Electricity Project (scope 2). Additionally all Category managers have climate related targets in their bonus goals like: - Develop and promote a climate conscious travel policy - Investigate possibilities for preparing a Power Purchase Agreement for the European sites - Engage with suppliers about climate action

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Emissions from purchased goods and services (cat 1) constitute app. 83% of our scope 3 target boundary in 2023. Supplier engagement and emission reductions at our suppliers is therefore key to achieve our 25% emissions reduction target. Additionally we have following milestones in our Transition plan towards zero emissions: By end of 2025: Renewable electricity must be used by top 50 suppliers, By end of 2030: Renewable electricity must be used by all suppliers. Additionally, we have following milestones in our Transition plan that the targets in Corp. Procurement contributes to: - Fleet: By 2023: 100% EV's in DK and 50% in EU and USA. - Business travel: By 2025: 25% reduction of emissions from business travel, By 2040: 40 % emission

reduction - Use of renewable electricity: By end of 2025: 100% use of renewable electricity in EU, By end of 2030: 100% renewable electricity in USA, by end of 2040: 100% Renewable electricity worldwide at all sales affiliates.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Sustainability specialist

☑ Other sustainability specialist, please specify :Senior project manager for the climate strategy

(4.5.1.2) Incentives

Select all that apply ✓ Bonus - % of salary

(4.5.1.3) Performance metrics

Strategy and financial planning

- Achievement of climate transition plan
- ☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

Policies and commitments

- ☑ Increased supplier compliance with environmental requirements
- ☑ Other policies and commitments-related metrics, please specify :Implementation of the CSRD directive

Engagement

☑ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

The project manager of the climate project had following included in the performance targets. 1. Drive climate strategy towards achieving milestones in the transition plan 2. Manage submission of net zero target to SBTi with the aim of getting an SBTi validation 3. Develop a 2030 Target in accordance with CSRD 4. Design internal control framework to ensure validation of transition plan (Reductions, opex, capex) 5. Establish formalized procedure on governance for climate transition plan, targets and Impact, Risk and opportunities (IRO) 6. Update Climate position paper 7. Align Opex and Capex calculation with relevant parts of EU taxonomy 8. Identify top 50 by emissions and aim at having them to sign addendum. Quantitative details and the performance indicator: 50% of salary Regional, sectoral and/or operational context: Corporate, operational context

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

All these targets are key to develop Lundbeck's climate short and long term targets, strategy and future planning towards zero emissions and to retain progress towards targets and achievement of milestones in the transition plan. It also support the annual target about: Inclusion in the global environmental benchmark, CDP A list in 2023

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

Does your organization have any environmental policies?
Select from: ✓ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

✓ Climate change

(4.6.1.2) Level of coverage

Select from:

✓ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

✓ Upstream value chain

✓ Downstream value chain

Portfolio

(4.6.1.4) Explain the coverage

Our position on climate change which is considered a policy and covers company wide as it addresses own operations and entire value chain including end of life of our products. The position document must be seen in connection with our Health safety and environment policy and strategy.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to take environmental action beyond regulatory compliance
- ☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ✓ Commitment to 100% renewable energy
- Commitment to net-zero emissions
- Other climate-related commitment, please specify : To be among the leaders on climate change within the pharmaceutical industry

Additional references/Descriptions

☑ Reference to timebound environmental milestones and targets

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

✓ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

✓ Publicly available

(4.6.1.8) Attach the policy

Climate_Change_Position_May_2024.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

✓ Climate change

✓ Water

☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

✓ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- ✓ Direct operations
- ✓ Upstream value chain
- Downstream value chain
- Portfolio

(4.6.1.4) Explain the coverage

Our HSE policy covers both own operations and the entire value chain. Our HSE policy is supported by 5 position documents on Climate change, Environmental footprint, Water, Biodiversity and Health and Safety at work. In the position documents topic specific commitments are included.

(4.6.1.5) Environmental policy content

Environmental commitments

- ✓ Commitment to a circular economy strategy
- Commitment to comply with regulations and mandatory standards
- ☑ Commitment to stakeholder engagement and capacity building on environmental issues

Water-specific commitments

- ☑ Commitment to reduce or phase out hazardous substances
- Commitment to control/reduce/eliminate water pollution
- Commitment to reduce water consumption volumes

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

✓ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

✓ Publicly available

(4.6.1.8) Attach the policy

HSE_Policy_2023.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

✓ Water

(4.6.1.2) Level of coverage

Select from:

✓ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

✓ Direct operations

✓ Upstream value chain

Downstream value chain

✓ Portfolio

(4.6.1.4) Explain the coverage

Our position on Water which is considered a policy and covers company wide as it addresses own operations and entire value chain including end of life of our products. The position document must be seen in connection with our Health safety and environment policy and strategy.

(4.6.1.5) Environmental policy content

Environmental commitments

Commitment to a circular economy strategy

- Commitment to comply with regulations and mandatory standards
- Commitment to stakeholder engagement and capacity building on environmental issues

Water-specific commitments

- ☑ Commitment to reduce or phase out hazardous substances
- Commitment to control/reduce/eliminate water pollution
- ✓ Commitment to reduce water consumption volumes
- Commitment to reduce water withdrawal volumes

Additional references/Descriptions

☑ Description of dependencies on natural resources and ecosystems

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ No, but we plan to align in the next two years

(4.6.1.7) Public availability

Select from:

✓ Publicly available

(4.6.1.8) Attach the policy

Water Position_Final.pdf

Row 4

(4.6.1.1) Environmental issues covered

Select all that apply

Biodiversity

(4.6.1.2) Level of coverage

Select from:

✓ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- ☑ Direct operations
- ✓ Upstream value chain
- Downstream value chain
- Portfolio

(4.6.1.4) Explain the coverage

Our position on Biodiversity which is considered a policy and covers company wide as it addresses own operations and entire value chain including end of life of our products. The position document must be seen in connection with our Health safety and environment policy and strategy.

(4.6.1.5) Environmental policy content

Environmental commitments

- ✓ Commitment to a circular economy strategy
- ☑ Commitment to comply with regulations and mandatory standards
- Commitment to stakeholder engagement and capacity building on environmental issues

Additional references/Descriptions

- ☑ Description of dependencies on natural resources and ecosystems
- ☑ Description of impacts on natural resources and ecosystems

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ No, but we plan to align in the next two years

(4.6.1.7) Public availability

Select from:

✓ Publicly available

(4.6.1.8) Attach the policy

Biodiversity Position_Final.pdf [Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

✓ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

✓ Race to Zero Campaign

✓ Science-Based Targets Initiative (SBTi)

☑ UN Global Compact

(4.10.3) Describe your organization's role within each framework or initiative

In relation to Race to zero we have signed the Business ambition for 1,5 pledge and developed science based climate targets in accordance with the requirements. In Science based targets we have developed net zero targets and got them validated by Science based targets. Lundbeck became a signatory to the UN Global Compact in 2009. We continue to promote initiatives that demonstrate our commitment to the 10 principles on human and labour rights, environment protection and anti-corruption.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

✓ Yes, we engaged directly with policy makers

Ves, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

Paris Agreement

☑ Another global environmental treaty or policy goal, please specify :Sustainable Development goal 13 on climate action

(4.11.4) Attach commitment or position statement

EFPIA_white-paper-on-climate-change_July 2023.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

🗹 Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

✓ Non-government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

EU's Transparency register, Registration number: 118500617129-29

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

It is described in Lundbeck's HSE management system how internal and external communication is coordinated in the company. Lundbeck's HSE management system is certified according to ISO 14001 and ISO 45001 and in compliance with Art. 8 in DIRECTIVE 2012/27/EU. All communication with policy makers, authorities, trade associations and participation in other networks is coordinated and agreed between the Executive Vice President (EVP) of Product Development & Supply (C-Suite Officer and chairing the Climate steering committee), the Corporate HSE department (subject matter experts), Corporate Compliance & Sustainability and the Corporate Communication department. When needed our CEO is involved, typically when we decide to sign new ambitions or statements. Only the Corporate Communication department can prepare press releases, plan interviews with journalists, prepare corporate news at our homepage or other social media announcements, but the content is always confirmed with Corporate Compliance & Sustainability, the Corporate HSE department and our Executive Vice President of Product Development & Supply. Preparation of input to upcoming legislation, participation in trade associations and networks or climate seminars is performed by managers and subject matter experts from the Corporate HSE department. An example is the participation in development of EFPIA's white paper on climate action where the project manager for Lundbecks climate strategy participated. Lundbeck's Corporate HSE department is responsible for developing and managing Lundbeck's Climate strategy and for the follow up on all Lundbeck's climate initiatives and targets. The same goes for other environmental topics as water and biodiversity. This means that it is the same managers and employees (subject matter experts) that are responsible for the strategies, that participate in preparing input to new legislation, trade associations and network activities. This ensures consistent communication about our climate strategy and other environmental strategies. The internal communication concerning climate issues is coordinated and performed by the Corporate Communication department I cooperation with Corporate Compliance & Sustainability and the Corporate HSE department. [Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Regulation on access to renewable electricity, Regulation on use of excess heat, Regulation on carbon taxes

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

Carbon taxes

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

✓ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

🗹 Denmark

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

✓ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Participation in working groups organized by policy makers

Participation in voluntary government programs

✓ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

In November 2019, the Danish Prime Minister, Mette Frederiksen unveiled 13 climate partnerships covering the main sectors across Danish industry, including sectors such as Maritime, Transportation, Energy, Agriculture, Packaging, Production and Life science & Biotech. The goal was to aid the government in reaching the ambition of reducing CO2-emissions by 70% in 2030 by preparing recommendations for conditions that are needed to realize the climate ambition. In 2021/2022 the industry sectors prepared sector roadmaps with business objectives and recommendations to the government, which was submitted to the government primo 2022. These were recommendations were updated during 2023. The recommendations cover a variety of topics within the transition to climate change. For Lundbeck the recommendations for better access to renewable electricity in the grid is of great importance as our Chemical site in Denmark have insufficient electricity in the grid to convert to electric boilers. Also recommendations for better use of excess heat is relevant for Lundbeck that still produce excess heat that is released to the air due to regulatory constraints. In 2022 the Government asked the Climate partnership to give input to a green tax reform. Here the climate partnership specifically proposed that the government 1. seek a broad political settlement on a green tax reform before the Parliament closes this summer. 2. It is crucial that a green tax reform supports electrification and conversion away from gas, both for heating and process purposes. A green tax that support electrification with renewables will create better business cases for Lundbeck when evaluating electricitation of e.g. boilers. The new tax reform came into force in 2024. Lundbeck's Executive Vice President of Product Development & Supply (C-Suite Officer and member of EM) and the project manager for Lundbecks climate strategy are members of the climate partnership to the Government about performance and ambitions - Participate in workshops. Prepare written in

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

✓ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply Paris Agreement [Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify :European Federation of Pharmaceutical industries and associations (EFPIA)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

✓ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

✓ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

✓ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Lundbecks position on climate change and several milestones in our transition plan is consistent with the White paper of EFPIA. In EFPIA's White Paper the EFPIA companies commit to: -Establish and further develop climate policies based on materiality impact for the individual companies, whilst addressing their entire value chains. As Lundbeck is addressing all scope 1, 2 and 3 emissions in our targets, this is consistent with our strategy. - Set Science based targets. Lundbeck have had Science based targets since 2016 - Contribute to reduced energy consumption and increased energy efficiency. Energy optimization and efficiency have been corner stones in Lundbeck climate work for many years - Increase the share of renewable energy at their own sites and along the global value chain. In Lundbecks transition plan we have milestones for using renewable energy at both our own sites and at our suppliers - Annually and publicly disclose progress towards CO2 targets using recognized methodologies and verified by third parties. Lundbeck is reporting both to CDP and in our Sustainability report about progress and our Sustainability report is being verified by third party. The Pharmaceutical Industry undertakes initiatives to promote climate action by supporting: • The principles in UN Global Compact regarding climate • United Nations' Sustainability Development Goal 13, aiming for urgent action to be taken to combat climate change and its impacts • The Paris Climate Accord approved at COP21 by supporting the long-term goal to hold the increase in global average temperatures well below 2C and to pursue efforts to limit the increase to 1.5C compared to pre-industrial level • The European Union's ambition to be climate neutral by 2050 Lundbeck have signed the Business ambition for 1.5C thus supporting the above initiatives. Lundbeck have been actively engaged in the update of EFPIA's white paper on climate change by pulcipating in meetings where level of ambition and content were discussed, and actual wording has been discu

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

✓ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

☑ Other global trade association, please specify : EFPIA - European Federation of Pharmaceutical Industries Associations

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

🗹 Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

✓ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

☑ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The European Federation of Pharmaceutical Industries and Associations (EFPIA) supports the overall objective of the revision of the Urban Wastewater Treatment (UWWT) directive to address water pollution. The pharmaceutical industry, including Lundbeck, is committed to taking on their fair share of responsibility and has already put in place an extensive Eco-Pharmaco-Stewardship programme. However, EFPIA regrets that only the pharmaceutical and cosmetics sectors will cover the Extended Producer Responsibility (EPR) system set up by the legislation. They argue that this is not compliant with key principles of EU Treaties (e.g., proportionality, equal treatment and polluter pays principle) and misses its main goal of incentivising all polluters to invest in more sustainable products. EFPIA believes that every stakeholder contributing to micropollutants in the water must be part of any solution to enable the cleanest water possible. Moreover, they believe it is fundamentally important that the proposed EPR system does not have a negative impact on the accessibility and affordability of medicines for patients. EFPIA remains committed to ensuring a fair and effective implementation of the directive and the EPR scheme in all 27 Member States. As a member of EFPIA, Lundbeck supports these positions and contribute to the efforts to minimize the effects of pharmaceuticals in the environment.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

✓ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

Another global environmental treaty or policy goal, please specify :EU Urban Wastewater Treatment directive [Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

🗹 Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In mainstream reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

✓ Climate change

✓ Water

✓ Biodiversity

(4.12.1.4) Status of the publication

Select from:

Complete

(4.12.1.5) Content elements

Select all that apply

✓ Governance
☑ Risks & Opportunities

✓ Strategy

(4.12.1.6) Page/section reference

38, 39

(4.12.1.7) Attach the relevant publication

Lundbeck_Annual_Report_2023.pdf

(4.12.1.8) Comment

Lundbeck Annual report

Row 2

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

✓ TCFD

☑ Other, please specify :Danish Financial Statement Act section 99 and the EU taxonomy.

(4.12.1.3) Environmental issues covered in publication

Select all that apply

✓ Climate change

Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

✓ Complete

(4.12.1.5) Content elements

- Select all that apply
- ✓ Strategy
- ✓ Governance
- Emission targets
- Emissions figures
- ☑ Risks & Opportunities

(4.12.1.6) Page/section reference

2, 4, 5, 7, 8, 16 - 21, 28- 32, 45 - 49

(4.12.1.7) Attach the relevant publication

Sustainability_Report_2023.pdf.coredownload.pdf

(4.12.1.8) Comment

ks Sustainability report published together with the Annual report [Add row]

- ✓ Value chain engagement
- ✓ Public policy engagement
- ✓ Water accounting figures
- ✓ Content of environmental policies

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

✓ Yes

(5.1.2) Frequency of analysis

Select from:

✓ Annually

Water

(5.1.1) Use of scenario analysis

Select from:

 \blacksquare No, and we do not plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

✓ Not an immediate strategic priority

(5.1.4) Explain why your organization has not used scenario analysis

Lundbeck conducts an annual evaluation of impacts, risks, and opportunities related to various non-financial topics, including water management. Through this analysis, we have determined the degree of materiality of water-related issues in comparison to other topics. We concluded that, despite diligent management and

monitoring, and considering the geographical location of our production sites and main suppliers, water management is not among the company's strategic sustainability priorities. Consequently, we believe that, at least in the short term (over the next 2-5 years), the use of tools such as scenario analysis for the topic of water is not urgent as an input for shaping the company's environmental risk strategy. However, it's worth reiterating that water management is a topic that is diligently addressed in our day-to-day operations. We maintain close monitoring of potential external trends that could significantly alter its impact analysis, risk and opportunities, and therefore, its materiality as a theme for Lundbeck, in which case, scenario analysis for these topic would be considered. [Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios ✓ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

✓ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

✓ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

✓ Policy

✓ Market

Reputation

✓ Chronic physical

✓ Technology

✓ Acute physical

(5.1.1.6) Temperature alignment of scenario

Select from:

✓ 1.5°C or lower

(5.1.1.7) Reference year

2019

(5.1.1.8) Timeframes covered

Select all that apply

✓ 2025

✓ 2030

✓ 2040

✓ 2050

(5.1.1.9) Driving forces in scenario

Stakeholder and customer demands

☑ Other stakeholder and customer demands driving forces, please specify :Requirements from Health organizations e.g. NHS

Regulators, legal and policy regimes

☑ Methodologies and expectations for science-based targets

✓ Other regulators, legal and policy regimes driving forces, please specify :Carbon prizing, Restrictions on use of fossil boilers, Rapid deploymenet of renewable energy, increased sales of electrical vehicles

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The NZE Scenario shows an achievable pathway to achieve Net Zero CO2 emissions by 2050. The scenario also meets key energy-related SDGs and is consistent with limiting the global temperature rise to 1.5C (with a 50% probability) and in line with SSP1. In IEA NZE 2050 and SSP1 following assumptions has been considered material for Lundbeck: 1. Increased use of carbon pricing: We are already experiencing an increase in carbon tax in Denmark and the NZE scenario foresee further increases by 50% in 2030 and a factor 5 in most OECD countries by 2040. 2. Limitations within fossil fuels. NZE predict an 80% decrease in use of fossil fuels in 2050 and no new sales of fossil fuel boilers already by 2025. Uncertainties about availability of renewable fuels and insufficient power in the electricity grid is challenging our conversion to electric boilers or biobased fuels. 3. Rapid deployment of renewable energy. In 2030 is predicted four times the scale as in 2020. 4. The NZE also predict 60% increased sales of electric vehicles (EVs) in 2030 followed by an increased need for charging stations. Uncertainty about the speed of this prediction impact in large degree Lundbecks conversion to electric vehicles. Our Sales force in USA is heavily dependant on an expansion of the grid of charging stations as they are driving many miles a day and need good possibilities for fast charging. Other already experienced changes: 5. EU's, Health organizations (our customers) and financial institutions increasing focus on climate change. Examples are NHS in UK that from 2023 started requiring suppliers of medicine to publish carbon reduction plans for contracts larger than 5M. Similar requirements are being developed in other countries Health organizations making good climate performance a prerequisite for selling products. 6. The financial sector has started to offer sustainability linked loans to promote good climate performance. 7. Increasing number of sustainability regulations like CSRD and EU taxonomy that push corporates to have high

(5.1.1.11) Rationale for choice of scenario

We have chosen the IEA NZE 2050/SSP1 and the RCP 8.5 in our scenario analysis because they are representing pathways to achieving the ambitious net zero CO2 emissions by 2050 and limiting the global temperature rise to 1.5C (IEA NZE) and a business as usual future with warming up to app. 4C (RCP 8.5). It is recommended by TCFD to include a 1.5C aligned pathway and a business as usual scenario. By using the IEA NZE we are also looking at a scenario that corresponds to our own 1.5C aligned climate targets. In our scenario analysis we are using a top down approach and evaluated several parameters: Carbon pricing, fuel availability, policy regulation, technology, reputation, production and supply chain disruptions, physical damage to assets and changes in demand for our products. Scenario analysis is used for evaluating future business risks and opportunities and to highlight likely financial and non-financial impacts in the future. Additionally, it guides the needed levers and level of ambition in our overall climate strategy.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

✓ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from: ✓ No SSP used

(5.1.1.3) Approach to scenario

Select from:

✓ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

✓ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

Policy

✓ Market

✓ Reputation

✓ Technology

✓ Acute physical

(5.1.1.6) Temperature alignment of scenario

Select from:

✓ 4.0°C and above

(5.1.1.7) Reference year

2019

(5.1.1.8) Timeframes covered

Select all that apply

✓ 2025

✓ 2030

✓ Chronic physical

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

✓ Climate change (one of five drivers of nature change)

Direct interaction with climate

- ✓ On asset values, on the corporate
- ☑ Other direct interaction with climate driving forces, please specify :Supplier chain being impacted by climate changes

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The RCP 8.5 predict an average of app. 4C temperature rise and include both transitional and physical changes. RCP 8.5 is chosen as a second scenario as it is suggested by CDP and TCFD and is considered the Business as usual scenario. In RCP 8.5 we have focused on the physical scenarios as transitional risks already are covered by IEA NZE. The physical scenarios in RCP 8.5 across the world varies but in general it predicts increased temperature, drought, rising sea levels, changes in precipitation, increased frequency of severe weather events and river flooding. Following assumptions has been considered material for Lundbeck: 1. Increased temperature (4 degree increase) in southern part of Europe where our French site is located increasing the risk for wildfires. 2. App. 20% increased precipitation and increased frequency for river flooding in Eastern North America where our warehouse service provider is located.

(5.1.1.11) Rationale for choice of scenario

We have chosen the IEA NZE 2050 and the RCP 8.5 in our scenario analysis because they are representing pathways to achieving the ambitious net zero CO2 emissions by 2050 and limiting the global temperature rise to 1.5C (IEA NZE) and a business as usual future with warming up to app. 4C (RCP 8.5). It is recommended by TCFD to include a 1.5C aligned pathway and a business as usual scenario. By using the RCP 8.5 we are covering the worst case scenario for future climate changes though increasing our possibilities for identifying risks related to climate changes and for securing our business towards these risks (adaptation). In our scenario analysis we are using a top down approach and evaluated several parameters: Carbon pricing, fuel availability, policy regulation, technology, reputation, production and supply chain disruptions, physical damage to assets and changes in demand for our products. Scenario analysis is used for evaluating future business risks and opportunities and to highlight likely financial and non-financial impacts in the future. Additionally, it guides the needed levers and level of ambition in our overall climate strategy. [Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☑ Risk and opportunities identification, assessment and management
- ✓ Strategy and financial planning
- ✓ Resilience of business model and strategy
- ✓ Capacity building
- ✓ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

✓ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

We have chosen the IEA NZE 2050 and the RCP 8.5 in our scenario analysis because they are representing pathways to achieving the ambitious net zero CO2 emissions by 2050 and limiting the global temperature rise to 1.5C (IEA NZE) and a business as usual future with warming of up to app. 4C (RCP 8.5). It is recommended by TCFD to include a 1.5C aligned pathway and a more realistic pathway. By using the IEA NZE we are also looking at a scenario that corresponds to our own 1.5C aligned climate targets. Scenario analysis is used for evaluating future business risks and opportunities and to highlight likely financial and non-financial impacts in the future. Additionally, it guides our climate targets and the levers in our climate transition plan. The analysis is mainly focusing on a time horizon of 1 – 10 years covering the time horizon for our SBT target running to 2029 and our financial planning horizon of 0-10 years (short- and long-term). The NZE predict: 1. Increased carbon pricing up to 5 times higher than today across the world: In DK a new carbon tax is being implemented within 5 years increasing energy related tax with a factor 5. If copying this to the rest of our sites it would constitute less than 0.1% of our revenue. An insignificant extra cost, but still guiding our climate strategy and transition plan to have milestones towards 100% renewable energy in scope 1 worldwide in 2035. 2. 80% decrease in use of fossil fuels in 2050 and no new sales of fossil fuel boilers by 2025. At 3 of our sites, we use fossil fuels in our boilers and at 1 site we use biooil. The future limitations within fossil fuel and boilers have initiated preparation of business cases for converting to electric boilers. Such a conversion implies challenges concerning limited supply of renewable fuels and insufficient power in the electricity grid. These challenges are currently being explored further. 3. Rapid deployment of renewable energy. In 2030 four times the scale as in 2020. By Jan 2022 a power purchase agreement (PPA) supplied our two Danish sites with renewable electricity. In 2024 we expect to sign a PPA covering our chemical site in Italy and purchase GO's for the rest of our European consumption increasing the renewable share to app. 85% an important step towards meeting the 2040 milestone in our transition plan with 100% renewable electricity worldwide. Our PPA agreements are financially beneficial e.g. the upcoming PPA for our Italian site is expected to have a cost saving at 2,7 MDKK/year. 4. 60% increased sales of electric vehicles (EVs) in 2030. Lundbeck lease app. 2,800 cars and our Car policies have been impacted by the predictions and the development we see towards EV's. In 2021 EV's were introduced in our Car policy for HQ. At our sales

office in USA, that holds most of the fleet, a roadmap for converting to EV's: 50% in 2030 and 100% in 2035 has been developed. In USA limitations within the charging grid is challenging the speed of the conversion to EV's. 5. In line with the NZE predictions about increased requirements to companies from different stakeholders we are already experiencing increased focus on climate change from Health organizations (our customers), financial institutions and regulators. Examples are NHS in UK requiring suppliers of medicine to publish carbon reduction plans for contracts larger than 5M. Similar requirements are being developed in other countries making good climate performance a prerequisite for selling products. The financial sector is offering sustainability linked loans to promote good climate performance and an increasing number of sustainability regulations like CSRD, CSDDD and EU taxonomy pushes corporates to have high climate performance and ambitious targets. All these developments are guiding our climate targets and strategy. The analysis of the RCP 8.5 scenario concludes that we should continue to evaluate physical risks at our sites and our value chain. The RCP 8.5 predict: 3-4 degree increased temperature in the south of Europe increasing the risk for wildfires at our French site. In 2021 a fire gap analysis was prepared and will create basis for decisions about further fire protection. The financial impact from a wildfire is estimated to 1,55 MDKK and future cost for increased fire protection is app. 8.9 MDKK. 6. 20% increased precipitation and increased frequency for river flooding in Eastern North America where our warehouse provider is located close to a river. This location is considered to have severe risk for river flooding. If this supplier experiences a flooding our stock inventory will seriously decrease and have a financial impact at 147 MDKK. To mitigate this risk a dual warehouse solution in Nevada was established in 2021/22. The scenario analysis emphasizes the importance of considering

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

✓ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

✓ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

Lundbeck is not directly generating revenue that contributes to fossil fuel expansion, but fossil fuels are used for producing the medicine we produce. Thus, it is related to our scope 1 and 2 emissions that constitute 13% of our total emissions (scope 1, 2 and 3). It is primarily in scope 1 that Lundbeck is using fossil fuels for boilers and in the fleet. Phase out of fossil fuels is addressed in milestones in our climate transition plan. By 2035 we will use 100% renewable fuels at our production sites and by 2050 also at our sales affiliates. The conversion at our sites is expected to happen before 2035 as our near-term net zero target is guiding a fast speed in our scope 1 and 2 reductions and EU legislation have introduced no new sales of fossil fuel boilers by 2025. For our fleet we are challenged by the slow implementation of a comprehensive charging grid in USA. But a roadmap has been developed including milestones for conversion to EV's: 50% in 2030 and 100% in 2035. For scope 2 we are also converting to use 100% renewable electricity. By 2025 use 100% renewable electricity at all EU locations, by 2030 100% also in USA and by 2040 100% renewable worldwide.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

Our climate transition plan was published in Feb 2023 along with our Sustainability report for 2022. It was made publicly available at www.lundbeck.com at the same time. Additionally, it was presented at the General assemble in March 2023. At our homepage just underneath to the link to the transition we have implemented a possibility to give feedback to the transition plan via a link that is open for all public. Thus, investors and all other stakeholders can give feedback to the transition plan.

(5.2.9) Frequency of feedback collection

Select from:

More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

The main challenge related to achieving the milestones in our transition plan are our Scope 3 value chain emissions that constitute more than 80% of total emissions. Close collaboration with suppliers and business partners is therefore key to achieve our targets. A key assumption is that fossil fuels will be phased out across the globe to enable suppliers to convert to renewable energy sources. This also include fuels for flights and ships. A general phase out of fossil fuels relates to another challenge within our scope 1 emissions from our sites and fleet. We are dependent on increased development/production of renewable fuels and electricity, expansion of capacity in the electricity grid, and implementation of comprehensive charging grid. Lastly, we are challenged by the medical legislation that prioritizes patient safety first and upholds strict requirements to purity of raw materials, protection of medicine etc. making it difficult to get new production methods and raw materials approved. Inclusion of sustainable solutions like allowing new materials for packaging and use of biobased raw materials is key for our transition to having net zero emissions. Allowing widespread use of electronic leaflets in the medicine packages is another example on a needed change in the legislation. When developing the transition plan challenges and key assumptions were identified. The main challenges are described in the transition plan. Progress towards the transition plan is monitored closely at all Climate Steering Committee meetings (3 times a year). At the meetings progress and challenges are discussed and needed actions and resources identified. Every year before the budget process for the upcoming year a plan for the upcoming year and 3 years ahead is decided and included in the budget process. E.g. in 2023 it was decided to install a new recycling unit for recycling solvents at our Danish chemical site thus reducing emissions from purchased virgin solvents.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

Milestones and progress on milestones for 2025: 1. Use 100% renewable electricity at all EU locations. Status by year end 2023: Renewable electricity share was 71%. Negotiations for another power purchase agreement (PPA) well on track and ready for signing medio 2024. Expectation is that we will be covered by 100% renewable electricity by January 2025 mainly covered by PPA agreements, but remaining consumption covered by guaranties of origin. 2. Emissions from business travel reduced by 25% compared to 2019. Status by end 2023: Emissions reduced by 35%. 3. Air logistic moved to sea on longest routes. Since 2019 these emissions are reduced by -29% due to moving from air to sea. In 2023 progress was challenged by the situation in the red sea, but more shipments will be pushed from air to sea in 2024. 4. Sustainable fuel used in 50% air logistics. Business cases are being prepared for decision in 2024. 5. Renewable electricity used at top 50 suppliers. Lundbeck's climate commitment requiring suppliers to use renewable electricity was signed by 61 suppliers by end of 2023. A mix of top suppliers and other suppliers. A targeted effort to have all top 50 suppliers to sign by end of 2024 is planned. By Q2 2024 44 of top 50 suppliers had signed.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

Transition plan Colors 16.9 SBTi.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

Other, please specify :Our transition plan indirectly address biodiversity and nature as many initiatives focus on recycling materials, bio-based materials, reducing waste and other circular initiatives.

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

Our transition plan indirectly address biodiversity and nature as many initiatives focus on recycling materials, bio-based materials, reducing waste and other circular initiatives.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

✓ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- \blacksquare Products and services
- ✓ Upstream/downstream value chain
- ✓ Investment in R&D

✓ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

✓ Risks

Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

✓ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Our financial planning runs up to 10 years and using this time horizon we only see that, the top concerns for our patients are effectiveness of the treatment and the cost of the medicine. Lundbeck's products are mainly based on chemicals and chemical synthesis and only a very small part is based on proteins. Neither of these raw materials are dependent on biological raw materials, that could be affected by climate changes. Additionally, our products are pharmaceutical products that must follow strict medical regulation and neither our products or the packaging materials are allowed by this regulation to change due to climate risks or opportunities. We expect that some future products will be developed based on biologics that potentially are impacted by climate changes, but development of pharmaceutical products up to market launch takes 10 -15 years and risks related to new products are continuously being evaluated via our risk management system. Another area that indirectly influences our business and climate strategy is EU's, Health organizations (our customers) and financial institutions increasing focus on climate change. Examples are NHS in UK that from 2023 will require suppliers of medicine to publish carbon reduction plans for contracts larger than 5M. Similar requirements are being developed in other countries Health organizations making good climate performance a prerequisite for selling products. Also the financial sector has started to offer sustainability linked loans to promote good climate performance. A substantial business decision in 2022 was to exploit this opportunity and consult our banking partners and agree on a sustainability loan where we can save up to 2.8 MDKK in interests if 3 defined KPI's are achieved (2 of them climate related). Another substantial business decision in 2022/23 was to revise our climate target to follow SBTi' net zero guidance and by ding that continue to support the Business ambition for 1.5C pledge. Our net zero target was validated by SBTi primo 2024.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply ✓ Bisks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

✓ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Many of our suppliers and partners are situated in Europe and USA at locations where extreme weather events rarely have a character that affect product reliability, but we do have suppliers and partners located in Japan, India and China at locations that are considered to have a high or medium risk for acute physical risks like flooding, tsunami and/or chronic physical risks like drought and temperature rise. Every year a Business Impact Analysis is prepared based on results from e.g. factory risk assessments made by our key partners. The primary focus of this process is to get an overview of the risk of business interruption, the size of the potential impact, mitigating actions and finally decide the size of our business insurance. Based on this process a continuity plan is being decided. The most critical risk with financial impact identified in 2022 was our warehouse service provider located in Tennessee, USA close to a river. A location that today is considered to have a high risk for flooding. To mitigate business interruption caused by a potential flooding the most substantial mitigating action at our warehouse service provider in Tennessee, USA, is that we have implemented dual-warehousing in Nevada, USA to secure continued supply. In the event of a flooding incident at the warehouse in

Tennessee, it will take 1 - 2 weeks to get the warehouse in Nevada up running with the same capacity. Potential financial impact is estimated to 147 MDKK. To further reduce the period of time for resupplying lost inventory, Lundbeck will engage with manufacturers to expedite the re-supply. Time horizon: 1-10 years.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

🗹 Risks

✓ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

✓ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The way our investment in Research and Development are affected is through requirements to our Contract Research Organizations (CRO's) to comply with our code of conduct and by our audits: Both activities have the purpose to ensure proper conditions at their sites. The most substantial business decision influencing our cooperation with CRO's is our decision about developing a Net zero Science Based Target. This target includes absolute reductions in our scope 3 where CRO services are constituting a significant part and therefore selected to be enrolled in our scope 3 reduction activities. To address this challenge, we started in 2022 to ask our suppliers to sign a contractual commitment on climate change. In our transition plan we have a milestone about top 50 suppliers have signed the commitment by 2025. As many of our CRO's are a in the group of top 50 suppliers, they are now being enrolled in this initiative.

Operations

(5.3.1.1) Effect type

Select all that apply

Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

As an integral part of Lundbecks sustainability strategy Lundbeck has defined a climate strategy that includes ambitious climate targets and committed to milestones for converting to renewable electricity in our climate transition plan. Entering power purchase agreements (PPA) with renewable electricity has shown to be favorable also from a financial perspective as we have been able to get a fiexd price for the electricity that has been lower than spot price. Lundbecks two Danish sites were covered by a PPA from January 2022 and during 2023 a business case for a European PPA was explored and negotiations with a provider initiated. A new PPA agreement is expected to be signed during 2024 supplying from January 2025. Both PPA agreements will reduce indirect cost. Opportunities that are a part of Lundbecks climate strategy is governed by the Climate steering committee but managed and implemented by the relevant business unit. Thus, the PPA agreements have been approved by the climate steering committee but implemented in a cooperation between the corp. procurement department and the engineering departments on the sites.

Operations

(5.3.1.1) Effect type

Select all that apply

✓ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

✓ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Lundbeck has a production site located in a high risk area in France. The site in France is packaging app. 2/3 of our internal produced products. The risk was identified some years back and a fire gap analysis was prepared by a third party in 2021. The combination of "elevated" forest close to the site (less than 12 meters on the north and east site of the site) situated above roof level, the roof construction consist of a bitumen felt with polystyrene underneath and that the site is one big common construction a roof fire is likely to involve the entire building complex with complete destruction of the site as a consequence. Thus affecting 100% of stock at the time of the fire and impacting direct costs due to business interruptions in the period until all production is transferred and reestablished at partly our DK site and partly at an external contract manufacturer. During the last 3 years we have been implementing mitigating actions like clearing 50 meters at the north and east side of the site to increase factory distance to trees and bushes. Planned replacement of roof material towards less flammable material. Planned to be implemented in 2024-2026. This risk assessment is managed and governed as part of our annual business impact analysis ad integrated in the overall risk management process.

Operations

(5.3.1.1) Effect type

Select all that apply

Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

✓ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Lundbeck's medicine is based on chemical synthesis and production of Lundbeck's active pharmaceutical ingredients requires a large volume of organic solvents. As an integral part of Lundbecks sustainability strategy Lundbeck has defined a climate strategy that includes ambitious climate targets and committed to milestones for circular solutions. Recycling of solvents reduces the need for purchasing virgin solvents and reduces indirect costs and GHG emissions in our scope 3. In 2023 it was approved to install a new recycling unit at our Danish chemical site increasing our recycling percentage of solvents by 5%. This is an important contribution for achieving the milestone in our climate transition plan aiming at 85% in 2030. Approval of the installation of a recycling unit is a big investment impacting the financial planning. Opportunities that are a part of Lundbecks climate strategy is governed by the Climate steering committee but managed and implemented by the relevant business unit. Thus, the business case for the recycling unit and the entire approval process in line of business has been managed by the relevant site. [Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

Indirect costs

✓ Capital allocation

(5.3.2.2) Effect type

Select all that apply

Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

✓ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

In 2022 our net zero SBTi target and transition plan was approved by the Climate steering committee and consolidated in the Executive management group. Primo 2024 the targets were validated by SBTi. As a part of this approval process estimates on the related budgets for the largest initiatives were presented for the climate steering committee. Going forward the transition plan will drive decisions on investments and costs related to achieving our climate targets. Every year as part of the budget planning initiatives for emission reductions incl. budgets for each initiative that are included in our transition plan will be presented and approved by the Climate steering committee and the approved initiatives will be included in the further budget process. This enables management to arbitrate between different options and to choose the most virtuous and efficient ones in order to achieve our organization's strategic goals. In 2023 the initiative about exploring a power purchase agreement (PPA) for our European sites and installation of another recycling unit at our Danish chemical site have been the most substantive decisions impacting the financial planning. Both initiatives are seen as opportunities to achieve our climate targets. The PPA agreement will create a cost reduction (indirect cost) whereas the recycling unit require capital allocation for purchasing and installation activities. Payback time is 14 years.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

Direct costs

Indirect costs

(5.3.2.2) Effect type

Select all that apply

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

✓ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Business risks (physical and transitional) are identified via our annual business impact analysis, our risk management process, internal assessments performed by subject matter experts and the recently developed double materiality assessment. In 2023 two risks were considered material. The risk for a wildfire at our pharmaceutical site in Valbonne and the risk for flooding at one of our warehouse suppliers. The pharmaceutical production site is packaging app. 2/3 of our internal produced products. Thus affecting 100% of stock at the time of the fire and impacting direct costs due to business interruptions in the period until all production is transferred and reestablished at partly our DK site and partly at an external contract manufacturer. During the last 3 years mitigating actions have been implemented and will continue to be implemented in the upcoming years. Direct costs for these initiatives are included in the financial planning. The warehouse supplier is running a warehouse for our medicine and in case the supplier experiences a serious flooding, large part of our medicine can be damaged, and our stock inventory seriously decreased. The most substantial mitigating action to reduce business interruption caused by flooding at our warehouse service provider in Tennessee, USA, is that we have implemented dual warehousing in Nevada, USA to secure continued supply. In the event of a flooding incident at the warehouse in Tennessee all products will be moved to the warehouse in Nevada lasting app. 2 weeks. In addition, we have an insurance that covers business interruption. It is difficult to separate activities that mitigates supply chain interruptions solely caused by physical climate risks. Most activities are performed due to a mix of different risks all causing loss of inventory or business interruption. All mitigating actions are included in our financial planning. [Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

Identification of spending/revenue that	Methodology or framework used to	Indicate the level at which you identify the
is aligned with your organization's	assess alignment with your	alignment of your spending/revenue with a
climate transition	organization's climate transition	sustainable finance taxonomy
Select from:	Select all that apply	

Identification of spending/revenue that	Methodology or framework used to	Indicate the level at which you identify the
is aligned with your organization's	assess alignment with your	alignment of your spending/revenue with a
climate transition	organization's climate transition	sustainable finance taxonomy
✓ Yes	A sustainable finance taxonomy	

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

✓ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

✓ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

✓ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

(5.4.1.5) Financial metric

Select from:

OPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

0

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

0

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

0

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

3

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

52

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

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). 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

Row 2

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

✓ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

✓ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

✓ Yes

(5.4.1.5) Financial metric

Select from: CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

0

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

0

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

0

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

7

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

73

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

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' Reporting according to the EU taxonomy (Climate change mitigation), '6.5 Transport by motorbikes, passenger cars and light commercial vehicles' (Climate change mitigation). The first two activities are associated with our building renovation works and Lundbeck's fleet, respectively. 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 [Add row]

(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

Row 1

(5.4.2.1) Economic activity

Select from:

☑ Transport by motorbikes, passenger cars and light commercial vehicles

(5.4.2.2) Taxonomy under which information is being reported

Select from:

✓ EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

✓ Taxonomy-eligible but not aligned

(5.4.2.4) Financial metrics

Select all that apply
CAPEX
OPEX

(5.4.2.17) Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (currency)

9000000

(5.4.2.18) Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

2

(5.4.2.24) Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (currency)

20600000

(5.4.2.25) Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

3

(5.4.2.27) Calculation methodology and supporting information

(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 '6.5 Transport by motorbikes, passenger cars and light commercial vehicles' (Climate change mitigation associated with Lundbeck's fleet. (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 '6.5 Transport by motorbikes, passenger cars and light commercial vehicles' (Climate change mitigation)

(5.4.2.28) Substantial contribution criteria met

Select from:

🗹 No

(5.4.2.29) Details of substantial contribution criteria analysis

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.

Select from:

🗹 No

(5.4.2.31) Details of do no significant harm analysis

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.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:

🗹 No

(5.4.2.33) Attach any supporting evidence

Sustainability_Report_2023.pdf

Row 2

(5.4.2.1) Economic activity

Select from:

Renovation of existing buildings

(5.4.2.2) Taxonomy under which information is being reported

Select from:

✓ EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

✓ Taxonomy-eligible but not aligned

(5.4.2.4) Financial metrics

Select all that apply

CAPEX

OPEX

(5.4.2.17) Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (currency)

24000000

(5.4.2.18) Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

5

(5.4.2.24) Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (currency)

33000000

(5.4.2.25) Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

0

(5.4.2.27) Calculation methodology and supporting information

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' Reporting according to the EU taxonomy (Climate change mitigation), which is associated with our building renovation works (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).

(5.4.2.28) Substantial contribution criteria met

(5.4.2.29) Details of substantial contribution criteria analysis

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.

(5.4.2.30) Do no significant harm requirements met

Select from:

🗹 No

(5.4.2.31) Details of do no significant harm analysis

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.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:

🗹 No

(5.4.2.33) Attach any supporting evidence

Sustainability_Report_2023.pdf [Add row]

(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

(5.4.3.1) Details of minimum safeguards analysis

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.

(5.4.3.2) Additional contextual information relevant to your taxonomy accounting

For this reporting period 2023, 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.

(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from: Ves

[Fixed row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

0

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

100

(5.9.3) Water-related OPEX (+/- % change)

23

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

-31

(5.9.5) Please explain

The OPEX numbers arise from costs associated with water-related daily operations, water purchases, water treatment, etc. The CAPEX numbers come from the total investment of 39.3 MDKK in a solvent recovery unit in our site Lumsås in Denmark. The investment covering the Solvent recovery Unit itself is at app. 26 MDKK as well as ancillary equipment and engineering expenses at app. 13 MDKK – in total 39.3 MDKK. The unit will be installed during 2024 & 2025 and expected to be up running from 2026.

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

(5.10.1) Use of internal pricing of environmental externalities

Select from:

✓ Yes

(5.10.2) Environmental externality priced

Select all that apply

(5.10.5) Other environmental externalities priced

Select all that apply

✓ Other, please specify :Energy reductions

(5.10.6) Further details of other environmental externalities priced

In Denmark it was previously possible to sell our energy reductions to an energy supplier for a fixed price. This means that when new projects were identified, typically in the Engineering department, energy savings and carbon reductions are calculated. The benefit from selling the energy reductions was included in the final calculations for the project. The pricing system means that projects with large energy reduction potentials was favoured. We considered that an internal price on carbon because this structure increases the possibility for energy activities to be favoured over other activities. Today this is not an option anymore. Instead, it is possible to apply for grants when implementing energy reducing initiatives. Very similar to the possibility we have at our French site. We did not apply for any reduction during 2023, but we have done it previously in France where e.g. an investment at app. 9 MDKK in 2021 for two energy projects reducing emissions with 421 tons CO2/year were covered entirely by national grants. In 2024 we have applied for grants for 3 energy projects with a potential energy saving at 547 MWh/year corresponding to a CO2 reduction at 24 tons of CO2. The grant we can apply for is calculated by multiplying the annual energy reduction (KWh) by 0.1 DKK/KWh multiplied with the expected lifetime of the project. This corresponds to 500DKK/tons CO2. We expect to receive in grants 150,000 DKK for the projects we have submitted with a saving of 24 tons CO2..

[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from:	Select all that apply
	✓ Yes	✓ Climate change
		✓ Water
Customers	Select from:	Select all that apply

	Engaging with this stakeholder on environmental issues	Environmental issues covered
	✓ Yes	✓ Climate change
Investors and shareholders	Select from: ✓ Yes	Select all that apply ☑ Climate change
Other value chain stakeholders	Select from: ✓ Yes	Select all that apply ☑ Climate change
[Fixed row]		

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

 \blacksquare Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

All suppliers emissions are calculated based on spend, activity or supplier data. Top 300 per emission is considered to have substantive impact.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

✓ 100%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

300

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

✓ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

✓ Basin/landscape condition

☑ Dependence on water

Impact on water availability

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 1-25%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Lundbeck classifies its suppliers based on their dependencies on water resources using both the CDP Water Impact Index and the country risk levels. The CDP Water Impact Index considers the 'Specialty Chemicals' industry as critical in terms of water dependencies. The country risk levels are determined by the water risk score from the World Resources Institute's (WRI) Water Risk Aqueduct tool.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ 1-25%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

164 [Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

Business risk mitigation

Procurement spend

✓ Strategic status of suppliers

(5.11.2.4) Please explain

Climate impacts from value chain is evaluated based on the suppliers' emissions. Scope 3 emissions from our suppliers are calculated based on either spend, volumes or data delivered by the supplier. Based on their emissions we are engaging with our top 300 suppliers by emission. In our transition plan we have several milestones for this initiative. We also include our contract manufacturing organisations that are important for us due to strategic perspective, in our supplier engagement program. Finally, we have our partners where we also have started cooperation around climate action. By doing so we are engaging with the suppliers that has the biggest impact. To reduce risks from supply chain interruptions Lundbeck has a risk management process. The risk management process includes insurance inspections where our insurance company prepare climate related risk assessment of our most critical suppliers ranking the risk for e.g. flooding and storms. The process also includes that all our partners prepare factory risk assessments that describes factory risks, including climate risks and how they are mitigated. Annually risk assessment workshops covering all production areas, warehouses, contract manufacturers, suppliers and supporting functions are performed. The focus of this process is to get an overview of business interruption impact and mitigation of risks securing a resilient supply chain e.g. by establishing dual sourcing and increasing our production flexibility.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

✓ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- ✓ Reputation management
- Business risk mitigation
- ✓ Vulnerability of suppliers
- ✓ Strategic status of suppliers
- ✓ Supplier performance improvement
- ☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to water

(5.11.2.4) Please explain

Lundbeck has a due diligence process in place for critical supplies, particularly for chemical raw materials. In this process, suppliers are scored, classified, and engaged according to a score that includes, among other environmental factors, criteria on water consumption levels and wastewater handling. Said due diligence process is carried out as follows: • First, the procurement department carries out periodic in-person pre-assessments of all suppliers related to production. In cases where these pre-assessments result in a low score, the CHSE team conducts a more thorough audit and proposes recommendations for improvement. •

On the other hand, every time a new contractual relationship begins with a new chemical supplier located in countries considered high risk based on HSE factors, the CHSE team carries out an audit scoring from 1-5 based on observations made on topics such as pollution, environmental incidents and their management, water consumption and wastewater handling, business ethics issues and aspects related to health and safety. Those suppliers that obtain a final score of 4-5 are not visited again. Those who score below 4 are monitored through future audits at 3-4 years. Process that continues until said suppliers reach a score of 4-5. For suppliers that score a 1 but are critical to the company, the re-audit is carried out over the next two years. [Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

✓ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

✓ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

A decision tree covering compliance and different degrees of non compliance has been developed. This guides the category managers in deciding what action to take depending on the degree of supplier compliance.

Water
(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

V No, and we do not plan to introduce environmental requirements related to this environmental issue within the next two years

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ No, we do not have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Lundbeck conducts an annual evaluation of impacts, risks, and opportunities related to various non-financial topics, including water management. Through this analysis, we have determined the degree of materiality of water-related issues in comparison to other topics. We concluded that, despite diligent management and monitoring, and considering the geographical location of our production sites and main suppliers, water management is not among the company's strategic sustainability priorities. Consequently, we believe that, at least in the short term (over the next 2-5 years), the inclusion of water related criteria in our purchasing processes is not urgent as an input for shaping the company's environmental risk strategy. However, it's worth reiterating that water management is a topic that is diligently addressed in our day-to-day operations. We maintain close monitoring of potential external trends that could significantly alter its impact analysis, risk and opportunities, and therefore, its materiality as a theme for Lundbeck, in which case, including water criteria in purchasing processes would be considered. [Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Setting a science-based emissions reduction target

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

✓ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

✓ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

Lundbeck has a supplier engagement program covering all suppliers except suppliers of business travel, distribution of goods and car leasing agencies. The implementation of the program started late 2022 and is gradually being rolled out starting with top 300 suppliers by emissions. Suppliers must via a contractual commitment have a science-based targets or use renewable electricity and deliver emission data annually to Lundbeck. If a supplier cannot fulfil our requirements or have suggestions for adjustments to the contract several pathways have been developed in a decision tree that must be followed. This includes evaluation of supplier suggestion by the Corp. health, safety and environmental department and dialogue with the supplier about need for support and alternative possibilities. If supplier won't enter a dialogue and will not sign the case is escalated in the line of business where the contracts criticality and strategic importance is evaluated. If the result is that Lundbeck accept that the supplier denies signing, the supplier will be contacted again after 1 year and evaluated again.

Water

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

✓ None

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

✓ None

Climate change

(5.11.6.1) Environmental requirement

Select from:

✓ Purchasing of low-carbon or renewable energy

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

Certification

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

✓ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

✓ 1-25%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

✓ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

✓ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

Lundbeck has a supplier engagement program covering all suppliers except suppliers of business travel, distribution of goods and car leasing agencies. The implementation of the program started late 2022 and is gradually being rolled out starting with top 300 suppliers by emissions. Suppliers must via a contractual commitment have a science-based targets or use renewable electricity and deliver emission data annually to Lundbeck. If a supplier cannot fulfil our requirements or have suggestions for adjustments to the contract several pathways have been developed in a decision tree that must be followed. This includes evaluation of supplier suggestion by the Corp. health, safety and environmental department and dialogue with the supplier about need for support and alternative possibilities. If supplier won't enter a dialogue and will not sign the case is escalated in the line of business where the contracts criticality and strategic importance is evaluated. If the result is that Lundbeck accept that the supplier denies signing, the supplier will be contacted again after 1 year and evaluated again.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Disclosure of GHG emissions to your organization (Scope 1, 2 and 3)

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

✓ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

✓ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

✓ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

Lundbeck has a supplier engagement program covering all suppliers except suppliers of business travel, distribution of goods and car leasing agencies. The implementation of the program started late 2022 and is gradually being rolled out starting with top 300 suppliers by emissions. Suppliers must via a contractual commitment have a science-based targets or use renewable electricity and deliver emission data annually to Lundbeck. If a supplier cannot fulfil our requirements or have suggestions for adjustments to the contract several pathways have been developed in a decision tree that must be followed. This includes evaluation of supplier suggestion by the Corp. health, safety and environmental department and dialogue with the supplier about need for support and alternative possibilities. If supplier won't enter a dialogue and will not sign the case is escalated in the line of business where the contracts criticality and strategic importance is evaluated. If the result is that Lundbeck accept that the supplier denies signing, the supplier will be contacted again after 1 year and evaluated again. [Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to set science-based targets

Information collection

✓ Collect GHG emissions data at least annually from suppliers

Innovation and collaboration

☑ Collaborate with suppliers on innovations to reduce environmental impacts in products and services

(5.11.7.4) Upstream value chain coverage

Select all that apply

✓ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

✓ 100%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

✓ 100%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Lundbeck has a supplier engagement program covering all suppliers except suppliers of business travel, distribution of goods and car leasing agencies. The reason for excluding suppliers of business travels, distribution and car leasing in the general supplier engagement program is that the service from these suppliers all relate to transportation where we have other more targeted requirements to the suppliers. The implementation of the general supplier engagement program started late 2022 and is gradually being rolled out starting with top 300 suppliers by emissions. Suppliers must via a contractual commitment have a science-based targets or use renewable electricity and deliver emission data annually to Lundbeck. If a supplier is challenged in complying with the contractual commitment a dialogue is initiated with the focus of identifying: 1. Where lies the challenge? Sometimes it is only a matter of understanding the requirements 2. Is the supplier interested in complying with the requirement in the future? 3. Do the supplier need help to comply with the requirements? If a supplier need help for complying appropriate help will be planned. It can be anything from help with calculation of GHG emissions to understanding SBTi guidance and what it requires to submit SBTi targets. An example is our largest contract manufacturing organization where we offered a two-day training and knowledge sharing to help them calculate GHG emissions and develop SBTi targets. By offering help and training also vulnerable suppliers with less capabilities can improve their climate performance when signing our commitment. Special focus is on the clinical research organizations (CRO's) that constitute a large part of our scope 3 emissions. Here we have a more extensive cooperation that includes regular dialogue and exploring opportunities for reducing emissions from the service they provide. A clinical trial requires severe travel activity for the CRO to monitor patients. Possibilities for using remote monitoring is an example on how we work with reducing emissions from the CRO's. Measure of success is monitored through how many suppliers that we engage with and that also sign our climate commitment. We have several milestones in our transition plan covering this initiative which: By 2025 top 50 suppliers must have signed, by 2030 top 300 etc. Engagement is considered a success when these milestones are achieved. By mid 2024 46 of top 50 suppliers had signed.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Ves, please specify the environmental requirement : The engagement help the supplier to be able comply with our climate commitment on having SBTi target or use renewable electricity and to deliver GHG emission data.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

✓ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from: ✓ No other supplier engagement [Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from: ✓ Other value chain stakeholder, please specify :Partners

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

Other

✓ Other, please specify :Align on climate ambitions

(5.11.9.3) % of stakeholder type engaged

Select from:

76-99%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 76-99%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Partnering with external specialists in their respective fields of brain disease is a cornerstone of Lundbecks strategy. Our primary ambition is to find innovative projects and products that will advance neuroscience and develop novel and innovative treatments for patients. Successful partnerships, from early-stage science to commercialization, have been one of the main drivers in establishing Lundbeck's current position in brain science. Emissions from our partners contribute to our scope 3 emissions and become therefore important for us to cooperate with and align on climate action.

(5.11.9.6) Effect of engagement and measures of success

One of our partners is by far the biggest both when it comes to spend and emissions. We have therefore had dialogue with the partner to evaluate their climate performance. The evaluation showed that our partner are having science based targets and are willing to deliver emission data to us anually. This means that they fulfill our contractual climate commitment that we use for our suppliers.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

🗹 Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

✓ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Lundbeck respond to surveys on climate and other environmental topics from our customers. We see an increasing focus from customers on requesting information on climate and for rating suppliers accordingly. An example is UK's Natioanl Health Service that has developed an extensive questionnaire with several questions within climate which they score and evaluate as part of the evaluation of the pharmaceutical companies.

(5.11.9.6) Effect of engagement and measures of success

Lundbeck are generally able to respond to questionnaires from customers and by doing so still be able to be a chosen supplier.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

✓ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

🗹 Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Lundbeck is responding to different indexes like CDP and report in our annual and sustainability report about our climate performance. We do not have any specific requests from investors within this, but we do believe that being transparent on sustainability topics in general can create positive awareness and avoid negative press.

(5.11.9.6) Effect of engagement and measures of success

We do not have any specific measurements of the effect of our reporting to indexes, but we do believe it secure our reputation when we perform well in the indexes. [Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.2) Environmental issues the initiative relates to

Select all that apply

✓ Climate change

(5.12.4) Initiative category and type

Change to supplier operations

☑ Increase proportion of renewable energy purchased

(5.12.5) Details of initiative

Lundbeck have initiated a green electricity transition plan for our own operation sites. By now our 2 sites in Denmark is covered by a PPA providing 100% green electricity from a solar park. Our 2 sites in Italy and France will also be covered by 2025.

(5.12.6) Expected benefits

Select all that apply

- ✓ Improved resource use and efficiency
- ☑ Reduction of customers' operational emissions (customer scope 1 & 2)
- ☑ Reduction of own operational emissions (own scope 1 & 2)

(5.12.7) Estimated timeframe for realization of benefits

Select from:

✓ 0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

✓ Yes, lifetime CO2e savings only

(5.12.9) Estimated lifetime CO2e savings

3370

(5.12.11) Please explain

The lifetime savings is difficult to assess as the green electricity in the grid will be higher over the years. In 2023 over green electricity share was 71%. This corresponds to almost 13.000 MWh electricity not yet green. Making this part green will save 3744 tons CO2 a year. Making a very rough assumption, it takes 10 years for all electricity in Europe to become green the lifetime savings is 10 x 3744 37444 tons CO2. So Lundbeck do boost the process by changing and using green electricity a lot sooner it is available in the grid. Reduction at Jonhsson & Johnsson: 3370 tons in 10 years

Row 2

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

✓ Climate change

(5.12.4) Initiative category and type

Change to supplier operations

☑ Increase proportion of renewable energy purchased

(5.12.5) Details of initiative

Lundbeck have initiated a green electricity transition plan for our own operation sites. By now our 2 sites in Denmark is covered by a PPA providing 100% green electricity from a solar park. Our 2 sites in Italy and France will also be covered by 2025.

(5.12.6) Expected benefits

Select all that apply

✓ Improved resource use and efficiency

☑ Reduction of customers' operational emissions (customer scope 1 & 2)

☑ Reduction of own operational emissions (own scope 1 & 2)

(5.12.7) Estimated timeframe for realization of benefits

Select from:

✓ 0-1 year

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

✓ Yes, lifetime CO2e savings only

(5.12.9) Estimated lifetime CO2e savings

300

(5.12.11) Please explain

The lifetime savings is difficult to assess as the green electricity in the grid will be higher over the years. In 2023 over green electricity share was 71%. This corresponds to almost 13.000 MWh electricity not yet green. Making this part green will save 3744 tons CO2 a year. Making a very rough assumption, it takes 10 years for all electricity in Europe to become green the lifetime savings is 10 x 3744 37444 tons CO2. So Lundbeck do boost the process by changing and using green electricity a lot sooner it is available in the grid. Reduction at CVS Health: 300 tons in 10 years [Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

(5.13.1) Environmental initiatives implemented due to CDP Supply Chain member engagement

Select from:

(5.13.2) Primary reason for not implementing environmental initiatives

Select from:

✓ Not an immediate strategic priority

(5.13.3) Explain why your organization has not implemented any environmental initiatives

We have several other initiatives relating to our Climate Srategy and Science Based Target, mutually benefitting our supply Chain - but it is not due the the CDP Supply Chain Initiative.

[Fixed row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

According to the GHG protocol we have to set organizational boundaries and choose between two approaches: Financial control or Operational control. Operational control approach is chosen to be the best approach due to that Lundbeck has full authority to introduce and implement policies at all our production and research sites. Lundbeck's energy and GHG-emissions for scope 1 and 2 are calculated within organizational boundaries that adhere to the principles of 'operational control'. The scope of these boundaries encompasses Lundbeck's four main production sites in Valby, Lumsås, Valbonne, and Padova, two US-based R&D sites in La Jolla and Seattle. In addition two corporate administrative (Legal, Procurement and P&O) supporting sites in Deerfield and Krakow is included in these boundaries due to that Lundbeck also in these cases have full authority to introduce and implement policies at these sites and the office m2 are so big that Lundbeck also is able to impact energy consumption and energy sources at these locations. This approach means that global sales affiliates are considered to be in scope 3 (leased assets) as for these offices Lundbeck has limited authority/possibilities for impacting energy consumption and energy sources. Additionally, all company vehicles operated by Lundbeck is also included in the organizational boundary as Lundbeck has control over what cars that are leased and how far they drive.

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Water-related indicators is: Potable water consumption, unfiltered water consumption and wastewater. Operational control is the consolidation approach used. This includes the consolidation in m3 of these figures of our production sites: Valby (DK), Lumsås (DK), Valbonne (F), and Padova (I). As water withdrawal and disposal is not material to Lundbeck figures will not be made public in Lundbeck sustainability statements – but be available on our webpage.

Plastics

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Plastics is not applicable to Lundbeck. No data is disclosed in public reporting. Lundbeck uses plastics both in the packaging of its products and in some of its products in the form of a microplastic called Crospovidone which is used as an excipient. None of the risks and/or analyzed in relation to the use of these plastics have been considered significant for the company. These risks are: - Risk of increased taxation on all packaging materials placed on the market: The upcoming regulation for extended producer responsibility will require companies that place large amounts of complex packaging materials on the market to pay higher taxes. Although the exact amount is currently unknown, it will be clarified in the near future. Lundbeck estimates the cost to be approximately 8 million DKK, based on current taxation in the Swedish market (see ref. "Estimated EPR cost"). This amount is not considered a material financial effect for the company. - Risk of microplastic pollution affecting the environment or the human health: considered as not material due to only having one substance considered a microplastic used as an excipient in just one product of the company, SELINCRO. In addition, the microplastic, called CROSPOVIDONE, does not present a high risk to the environment according to the European Chemical Agency (ECHA).

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Lundbeck does not disclose any biodiversity data in public reporting. We do however have internal initiatives reported on internal channels. [Fixed row]

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

🗹 No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals - total volumes

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

Daily

(9.2.3) Method of measurement

Online systems and physical meeter readings depending on the location of the production site.

(9.2.4) Please explain

Total amount from our 4 production sites (2 in Denmark, 1 in France and 1 in Italy)

Water withdrawals - volumes by source

(9.2.1) % of sites/facilities/operations

(9.2.2) Frequency of measurement

Select from:

Daily

(9.2.3) Method of measurement

Online systems and physical meeter readings depending on the location of the production site.

(9.2.4) Please explain

Source is either tapwater or groundwater. Total amount from our 4 production sites (2 in Denmark, 1 in France and 1 in Italy)

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

✓ Not monitored

(9.2.4) Please explain

Not relevant for our operations, as we purify the water for production ourselves anyway.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 76-99

Select from:

✓ Monthly

(9.2.3) Method of measurement

Water withdrawal Wastewater - as no water is used in products. Majority of wastewater goes to the municipal effluent treatment plant and the rest for special chemical/biological treatment. No direct disposal of wastewater.

(9.2.4) Please explain

Total amount from our 4 production sites (2 in Denmark, 1 in France and 1 in Italy)

Water discharges - volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

✓ Monthly

(9.2.3) Method of measurement

Water withdrawal Wastewater - as no water is used in products. Majority of wastewater goes to the municipal effluent treatment plant and the rest for special chemical/biological treatment. No direct disposal of wastewater.

(9.2.4) Please explain

Total amount from our 4 production sites (2 in Denmark, 1 in France and 1 in Italy)

Water discharges - volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

✓ Not monitored

(9.2.4) Please explain

NA

Water discharge quality - by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

✓ 1-25

(9.2.2) Frequency of measurement

Select from:

Daily

(9.2.3) Method of measurement

Online system at our site in Valbonne, France

(9.2.4) Please explain

System for measuring pH and COD content in wastewater prior to discharge to effluent treatment plant.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

✓ Not monitored

(9.2.4) Please explain

NA

Water discharge quality - temperature

(9.2.1) % of sites/facilities/operations

Select from:

Not monitored

(9.2.4) Please explain

NA

Water consumption - total volume

(9.2.1) % of sites/facilities/operations

Select from:

76-99

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Online systems and physical meeter readings depending on the location of the production site.

(9.2.4) Please explain

Same as water withdrawal as no water is used in our products. Water is only used for production processes and cleaning, sanitary and canteen.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

✓ Not monitored

(9.2.4) Please explain

NA

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

✓ Not monitored

(9.2.4) Please explain

NA [Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

229.9

(9.2.2.2) Comparison with previous reporting year

Select from:

✓ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

✓ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

Lower

(9.2.2.5) Primary reason for forecast

Select from:

✓ Investment in water-smart technology/process

(9.2.2.6) Please explain

Up 4.9%. Due to installation and start up test necessary for qualification of purified water plant, construction of new department 1 and the installation of the new evaporation tower dedicated to the EVA plant. Going forward: Optimization, reduction initiatives and target setting for water withdrawal.

Total discharges

(9.2.2.1) Volume (megaliters/year)

208.3

(9.2.2.2) Comparison with previous reporting year

Select from:

✓ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

✓ Change in accounting methodology

(9.2.2.4) Five-year forecast

Select from:

Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Investment in water-smart technology/process

(9.2.2.6) Please explain

Total discharge is u 15,3%. Due to 20% more water used at site Padova and wastewater up 408 % at site Valbonne (9091 m3) 2950 m3 in 2022 and 12041 m3 in 2023. Now all tap water is part of wastewater, as this was not included in scope before. Going forward:. Optimization, reduction initiatives and target setting for water withdrawal.

Total consumption

(9.2.2.1) Volume (megaliters/year)

229.9

(9.2.2.2) Comparison with previous reporting year

Select from:

✓ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

✓ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

Lower

(9.2.2.5) Primary reason for forecast

Select from:

✓ Investment in water-smart technology/process

(9.2.2.6) Please explain

Up 4.9%. Due to installation and start up test necessary for qualification of purified water plant, construction of new department 1 and the installation of the new evaporation tower dedicated to the EVA plant. Going forward: Optimization, reduction initiatives and target setting for water withdrawal. Total discharges 208.3 Higher Change in accounting methodology Lower Investment in water-smart technology/process Total discharge is u 15,3%. Due to 20% more water used at site Padova and wastewater up 408 % at site Valbonne (9091 m3) 2950 m3 in 2022 and 12041 m3 in 2023. Now all tap water is part of wastewater, as this was not included in scope before. Going forward:. Optimization, reduction initiatives and target setting for water withdrawal. [Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

✓ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

12

(9.2.4.3) Comparison with previous reporting year

Select from:

✓ Lower

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

☑ Investment in water-smart technology/process

(9.2.4.5) Five-year forecast

Select from:

✓ Lower

(9.2.4.6) Primary reason for forecast

Select from:

✓ Increase/decrease in business activity

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

5.22

(9.2.4.8) Identification tool

Select all that apply

✓ WRI Aqueduct

✓ WWF Water Risk Filter

(9.2.4.9) Please explain

Assessment done as part of our CSRD reporting. Lundbeck have never specifically reported on total water consumption in areas at water risk, including areas of highwater stress. However, data is available and have been for the last many years, but have never been reported in this format. The knowledge is based on Water Risk Atlas Tool (WRI) and WWF Risk filter tool. All our production sites are located in areas of low water scarcity. Lundbeck does not operate in areas at high water risk however Site Valbonne is located in an area of high-water stress. Water consumption at Valbonne: 12.041 m3 in 2023 [Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

NA

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

✓ Not relevant

(9.2.7.5) Please explain

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

✓ Relevant

(9.2.7.2) Volume (megaliters/year)

68.7

(9.2.7.3) Comparison with previous reporting year

Select from:

✓ Higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

✓ Increase/decrease in business activity

(9.2.7.5) Please explain

Up 20%. Water from ground for our production site in Padova, Italy

Groundwater - non-renewable

(9.2.7.1) Relevance

Select from:

✓ Not relevant

(9.2.7.5) Please explain

NA

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

NA

Third party sources

(9.2.7.1) Relevance

Select from:

✓ Relevant

(9.2.7.2) Volume (megaliters/year)

161.2

(9.2.7.3) Comparison with previous reporting year

Select from:

 \checkmark About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

✓ Increase/decrease in business activity

(9.2.7.5) Please explain

Down 0.5%. Water for our 4 production sites (2 in Valby and Lumsås, Denmark, 1 in Valbonne, France and 1 in Padova, Italy) [Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

Not relevant

(9.2.8.5) Please explain

No direct discharge of wastewater.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

✓ Not relevant

(9.2.8.5) Please explain

No direct discharge of wastewater.

Groundwater

(9.2.8.1) Relevance

Select from:

✓ Not relevant

(9.2.8.5) Please explain

No direct discharge of wastewater.

Third-party destinations

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

208.3

(9.2.8.3) Comparison with previous reporting year

Select from:

✓ Higher

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

✓ Change in accounting methodology

(9.2.8.5) Please explain

All production wastewater discharged to trird party effluent treatment plant. Reason for change is due to site Valbonne, France now account/report for all wastewater. [Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

Ves, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

1

(9.3.3) % of facilities in direct operations that this represents

Select from:

✓ 1-25

(9.3.4) Please explain

Water withdrawal in own operations is not deemed material to Lundbeck as we have very little use of water. Only for cleaning and housekeeping. No material risks and opportunities found. All our production sites are located in areas of low water scarcity. Lundbeck does not operate in areas at high water risk - however Site Valbonne is located in an area of high-water stress. Water consumption at Valbonne: 12.041 m3 in 2023. This site has the lowest consumption of water (5% of total corporate water consumption), hence not very likely to impact the scarcity of water in the area. Tool used: World Resources Institute's (WRI) Water Risk Atlas tool Aqueduct.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

Ves, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

56

(9.3.4) Please explain

Water withdrawal in value chain is not deemed material to Lundbeck. No material risks and opportunities found. Value Chain assessment consist for chemical suppliers for our production only. These suppliers are the most critical and relevant to assess. 56 of 164 (34%) of Lundbeck chemical suppliers are placed in countries with a "High" and "Extremely high" water risk score (India, Israel, Saudi Arabia, Belgium, Italy). However, we assume they have the same little need/withdrawal as us due to having the same production setup.. [Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

✓ Facility 1

(9.3.1.2) Facility name (optional)

Site Valbonne, France

(9.3.1.3) Value chain stage

Select from:

Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

✓ Impacts

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

✓ Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Denmark

✓ Other, please specify :Øresund

(9.3.1.8) Latitude

43.628585

(9.3.1.9) Longitude

7.051062

(9.3.1.10) Located in area with water stress

Select from:

🗹 Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

12

(9.3.1.14) Comparison of total withdrawals with previous reporting year
Select from:

✓ Lower

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

12

(9.3.1.21) Total water discharges at this facility (megaliters)

12

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

Lower

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

12

(9.3.1.27) Total water consumption at this facility (megaliters)

12

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

Lower

(9.3.1.29) Please explain

Valbonne Tap water down 20,7%. (3134 m3) 15175 m3 in 2022 and 12041 m3 in 2023. Decrease due to steam network pressure decrease and boiler efficiency improvement, sterile workshop shutdown. Wastewater up 408 % (9091 m3) 2950 m3 in 2022 and 12041 m3 in 2023. Now all tap water is part of wastewater, as this was not included in scope before [Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals - total volumes

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

Lundbeck have Third-party verification and assurance process in place. This process is part of disclosing our corporate data in our public Sustainability Report. The verification or assurance cycle is an Annual process of full year data in January – with an interim verification for Q1-Q3 data in November The type of verification or assurance is "Limited assurance". The relevant standard used is ISAE3000

Water withdrawals - volume by source

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

Lundbeck have Third-party verification and assurance process in place. This process is part of disclosing our corporate data in our public Sustainability Report. The verification or assurance cycle is an Annual process of full year data in January – with an interim verification for Q1-Q3 data in November The type of verification or assurance is "Limited assurance". The relevant standard used is ISAE3000

Water withdrawals - quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

✓ Not verified

(9.3.2.3) Please explain

Water discharges - total volumes

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

Lundbeck have Third-party verification and assurance process in place. This process is part of disclosing our corporate data in our public Sustainability Report. The verification or assurance cycle is an Annual process of full year data in January – with an interim verification for Q1-Q3 data in November The type of verification or assurance is "Limited assurance". The relevant standard used is ISAE3000

Water discharges - volume by destination

(9.3.2.1) % verified

Select from:

Not verified

(9.3.2.3) Please explain

Assessed as not relevant as we do not report on this in our Sustainability Report.

Water discharges - volume by final treatment level

(9.3.2.1) % verified

Select from:

✓ Not verified

(9.3.2.3) Please explain

Assessed as not relevant as we do not report on this in our Sustainability Report.

Water discharges - quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

✓ Not verified

(9.3.2.3) Please explain

Assessed as not relevant as we do not report on this in our Sustainability Report.

Water consumption - total volume

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

Lundbeck have Third-party verification and assurance process in place. This process is part of disclosing our corporate data in our public Sustainability Report. The verification or assurance cycle is an Annual process of full year data in January – with an interim verification for Q1-Q3 data in November The type of verification or assurance is "Limited assurance". The relevant standard used is ISAE3000 [Fixed row]

(9.4) Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?

Select from:

☑ No, CDP supply chain members do not buy goods or services from facilities listed in 9.3.1

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

Revenue (currency)	Total water withdrawal efficiency	Anticipated forward trend
19912	86.61	Ratio will be lower, as we will lower our water withdrawals by optimizing processes and reuse water as well as revenue is most likely to increase.

[Fixed row]

(9.12) Provide any available water intensity values for your organization's products or services.

Row 1

(9.12.1) Product name

Total units of finished goods production (tablet, ampoules, syringes...)

(9.12.2) Water intensity value

0.0606

(9.12.3) Numerator: Water aspect

Select from:

✓ Water withdrawn

(9.12.4) Denominator

Mega m3 water withdrawn/Million units of finished goods produced

(9.12.5) Comment

229.9 mega m3 water withdrown/ 3795 million units 0.0606

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

Products contain hazardous substances
Select from: ✓ Yes

[Fixed row]

(9.13.1) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Row 1

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

☑ Candidate List of Substances of Very High Concern for Authorisation above 0.1% by weight (EU Regulation)

(9.13.1.2) % of revenue associated with products containing substances in this list

Select from: ✓ 21-40

(9.13.1.3) Please explain

Product: Brintellix/Trintellix. API: Vortioxetine. Status: Not specifically listed on the candidate list - but is tested PBT. Regulation: Candidate list of substances of very high concern. Sales: Brintellix/Trintellix 2023 4,324 DKKm. Total Revenue 2023 19,912. Equals 22% of total revenue.

Row 2

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

✓ Annex XVII of EU REACH Regulation

(9.13.1.2) % of revenue associated with products containing substances in this list

Select from:

✓ 10-20

(9.13.1.3) Please explain

Product: Abilify Maintena. API: Aripiprazole. Status: Reproductive toxicity H360 "May damage fertility or the unborn child". Regulation: Annex XVII of EU REACH regulation. Sales: Abilify Maintena 2023 3,187 DKKm. Total Revenue 2023 19,912. Equals 16% of total revenue. [Add row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

 \blacksquare No, and we do not plan to address this within the next two years

(9.14.3) Primary reason for not classifying any of your current products and/or services as low water impact

Select from:

☑ Important but not an immediate business priority

(9.14.4) Please explain

The matter could be of interest for the end user and investors, as production of pharmaceuticals is done in several ways. The production at Lundbeck is not very water intense, as we have mostly small molecule synthesis and very little biologics. We use water only for utility, cleaning, and housekeeping. In comparison the production of biologics could result in high use of water in large fermentation tanks or other water consuming setup. We do not have this setup. Hence our water intensity is most likely lower compared to other pharmaceutical companies. [Fixed row]

(9.15) Do you have any water-related targets?

Select from:

☑ No, but we plan to within the next two years

(9.15.3) Why do you not have water-related target(s) and what are your plans to develop these in the future?

(9.15.3.1) Primary reason

Select from:

☑ We are planning to introduce a target within the next two years

(9.15.3.2) Please explain

Lundbeck does not have specific corporate targets on water withdrawal. The reason for Lundbeck not having adopted corporate targets, is primarily due to having a relatively low consumption of water (as an industry) and no production sites are located in areas of high water risk. Additionally, 3 of our 4 production units are located in areas of no water stress. However, site Valbonne is located in an area of high water stress – but this site cover only 5% of total water withdrawal. Local actions and targets on reducing water withdrawal are taken on site level. Site Valbonne have set a 5% reduction target in 2024. Other sites (Site Lumsås and site Padova) have action targets on analyzing the water footprint on site and adding more meters for improved monitoring and consumption control. New targets will relate to impacts, areas of high water risk, water withdrawal from own operations, as we have operational control and possibility to take proactive action here. Targets on water quality and WASH in own operations is not likely to be adopted, as this is not a relevant for Lundbeck. A working group set in 2023 is however addressing water withdrawal in own operations work proactively in aligning actions and setting a corporate target on water by 2025. A corporate policy on water will be updated accordingly in alignment with the ESRS standards. [Fixed row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

Targets in place
Select from: Very No, and we do not plan to within the next two years

[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

- ✓ Land/water management
- Species management
- Education & awareness

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Select from: ✓ Yes, we use indicators	Select all that apply State and benefit indicators

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

(11.4.2) Comment

Natura 2000 areas, Bird- and Habitat Directives. WWF Risk score for the "Health care, pharmaceuticals and biotechnology" sector: Physical risk: 3,62 (Medium) Result: All Lundbeck production sites are well below the sector average score. Conclusion: Lundbeck does not have an immediate risk to biodiversity location wise. Nor is any of the production sites located in or nearby protected areas. Lundbeck has conducted an assessment regarding biodiversity and ecosystem protection covering operational sites in or near a biodiversity sensitive area. For own operations all production sites are located in areas listed as low pressures on Biodiversity areas according to WWF Risk filter tool. However – in general - France and Italy are listed as countries with high pressures on Biodiversity. Here Lundbeck have 2 production sites. Hence, France and Italy will be the 2 most material countries to target for our future work with biodiversity in OO.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

🗹 No

(11.4.2) Comment

WWF Risk score for the "Health care, pharmaceuticals and biotechnology" sector: Physical risk: 3,62 (Medium) Result: All Lundbeck production sites are well below the sector average score. Conclusion: Lundbeck does not have an immediate risk to biodiversity location wise. Nor is any of the production sites located in or nearby protected areas. Lundbeck has conducted an assessment regarding biodiversity and ecosystem protection covering operational sites in or near a biodiversity sensitive area. For own operations all production sites are located in areas listed as low pressures on Biodiversity areas according to WWF Risk filter tool. However – in general - France and Italy are listed as countries with high pressures on Biodiversity. Here Lundbeck have 2 production sites. Hence, France and Italy will be the 2 most material countries to target for our future work with biodiversity in OO.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

🗹 No

(11.4.2) Comment

WWF Risk score for the "Health care, pharmaceuticals and biotechnology" sector: Physical risk: 3,62 (Medium) Result: All Lundbeck production sites are well below the sector average score. Conclusion: Lundbeck does not have an immediate risk to biodiversity location wise. Nor is any of the production sites located in or nearby protected areas. Lundbeck has conducted an assessment regarding biodiversity and ecosystem protection covering operational sites in or near a biodiversity sensitive area. For own operations all production sites are located in areas listed as low pressures on Biodiversity areas according to WWF Risk filter tool. However – in general - France and Italy are listed as countries with high pressures on Biodiversity. Here Lundbeck have 2 production sites. Hence, France and Italy will be the 2 most material countries to target for our future work with biodiversity in OO.

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

🗹 No

(11.4.2) Comment

WWF Risk score for the "Health care, pharmaceuticals and biotechnology" sector: Physical risk: 3,62 (Medium) Result: All Lundbeck production sites are well below the sector average score. Conclusion: Lundbeck does not have an immediate risk to biodiversity location wise. Nor is any of the production sites located in or nearby protected areas. Lundbeck has conducted an assessment regarding biodiversity and ecosystem protection covering operational sites in or near a biodiversity sensitive area. For own operations all production sites are located in areas listed as low pressures on Biodiversity areas according to WWF Risk filter tool. However – in general - France and Italy are listed as countries with high pressures on Biodiversity. Here Lundbeck have 2 production sites. Hence, France and Italy will be the 2 most material countries to target for our future work with biodiversity in OO.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

✓ No

(11.4.2) Comment

WWF Risk score for the "Health care, pharmaceuticals and biotechnology" sector: Physical risk: 3,62 (Medium) Result: All Lundbeck production sites are well below the sector average score. Conclusion: Lundbeck does not have an immediate risk to biodiversity location wise. Nor is any of the production sites located in or nearby protected areas. Lundbeck has conducted an assessment regarding biodiversity and ecosystem protection covering operational sites in or near a biodiversity sensitive area. For own operations all production sites are located in areas listed as low pressures on Biodiversity areas according to WWF Risk filter tool. However – in general - France and Italy are listed as countries with high pressures on Biodiversity. Here Lundbeck have 2 production sites. Hence, France and Italy will be the 2 most material countries to target for our future work with biodiversity in OO.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

🗹 No

(11.4.2) Comment

Natura 2000 areas, Bird- and Habitat Directives. WWF Risk score for the "Health care, pharmaceuticals and biotechnology" sector: Physical risk: 3,62 (Medium) Result: All Lundbeck production sites are well below the sector average score. Conclusion: Lundbeck does not have an immediate risk to biodiversity location wise. Nor is any of the production sites located in or nearby protected areas. Lundbeck has conducted an assessment regarding biodiversity and ecosystem protection covering operational sites in or near a biodiversity sensitive area. For own operations all production sites are located in areas listed as low pressures on Biodiversity areas according to WWF Risk filter tool. However – in general - France and Italy are listed as countries with high pressures on Biodiversity. Here Lundbeck have 2 production sites. Hence, France and Italy will be the 2 most material countries to target for our future work with biodiversity in OO. [Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

Other environmental information included in your CDP response is verified and/or assured by a third party
Select from: ✓ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

✓ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance - Water security

✓ Water consumption – total volume

✓ Water discharges – total volumes

(13.1.1.3) Verification/assurance standard

General standards

✓ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Every year PwC verify year on year movements in energy consumption (on fuel type and location). They also verify waste disposal (type and location) and water and wastewater data (location). However, these are KPI are not technically included within the assurance scope our verification statement. Data are however assured, as they are part of our central KPI in our public sustainability report 2023 signed and verified by PwC. Attachment: Lundbeck Sustainability report 2023. Section: Independent limited assurance report on the Sustainability Data. Page: 51-52. See specific data on Water, wastewater and waste (page 30) and Energy (page 31).

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Sustainability_Report_2023.pdf..pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

✓ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

- ✓ Waste data
- ✓ Fuel consumption
- Electricity/Steam/Heat/Cooling consumption
- ✓ Year on year change in absolute emissions (Scope 3)

✓ Year on year change in absolute emissions (Scope 1 and 2)

(13.1.1.3) Verification/assurance standard

General standards

✓ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Every year PwC verify year on year movements in energy consumption (on fuel type and location). They also verify waste disposal (type and location) and water and wastewater data (location). However, these are KPI are not technically included within the assurance scope our verification statement. Data are however assured, as they are part of our central KPI in our public sustainability report 2023 signed and verified by PwC. Attachment: Lundbeck Sustainability report 2023. Section: Independent limited assurance report on the Sustainability Data. Page: 51-52. See specific data on Water, wastewater and waste (page 30) and Energy (page 31).

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Sustainability_Report_2023.pdf..pdf [Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Additional information	Attachment (optional)
In our Sustainability report progress on targets and major initiatives are described	Sustainability_Report_2023.pdf.coredownload.pdf

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Executive Officer, H. Lundbeck A/S

(13.3.2) Corresponding job category

Select from: ✓ Chief Executive Officer (CEO) [Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

☑ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute