



UN GLOBAL COMPACT

Communication on Progress Report 2012





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We believe that an open and honest dialogue will benefit our stakeholders as well as our Corporate Responsibility efforts, and we invite you to participate. Feel free to contact us with any questions or comments on compliance@lundbeck.com.

Lundbeck's Communication on Progress report is available online at: <http://www.lundbeck.com/global/corporate-responsib>. This document is a PDF version of the online report.

Introduction

Acting responsibly is one of Lundbeck's corporate values: It is and has always been our way of doing business

More than 700 million cases of brain disorders are reported each year, according to the most recent study by the World Health Organization (WHO, 2004). At the same time, the WHO estimates that only half of patients suffering from brain disorders are in fact recognised, and many less receive adequate treatment.

As a specialised pharmaceutical company engaged in developing and commercialising new and innovative treatments for brain disorders, Lundbeck wants to help address this challenge. It is our vision to become a world leader in our field and create better treatments for the millions of people living with psychiatric and neurological disorders.

We want to do so in a responsible and ethical way taking into consideration the requirements and expectations set forth by our stakeholders. We want to continuously improve our methods and enable our employees to make responsible decisions.

The [UN Global Compact](#) serves as Lundbeck's strategic framework for its activities in the field of corporate social responsibility (CSR). We use the framework to ensure that we conduct business to a high standard within the areas of human and labour rights, environmental protection, anti-corruption and transparent reporting.

Lundbeck's Vision

Our vision is to become a world leader in psychiatry and neurology.

Lundbeck's Mission

Our mission is to improve the quality of life of people suffering from psychiatric and neurological disorders.

This year we continued to deliver results on our compliance and CSR targets. We recognise that ethics and CSR are complex issues and that projects carried out in these areas need to take a long-term perspective. Therefore, we continue to work across Lundbeck to ensure that our CSR goals can be implemented in a sustainable way.

In 2012 we revisited and improved on our Code of Conduct and continued to work to ensure a healthy working environment and assume responsibility for reducing our environmental impact. We also developed our first global Access to Health strategy and collaborated across Lundbeck to improve our

process for evaluating new and existing suppliers with the aim of working with our partners to raise standards.

We will continue to address these issues in 2013 and to launch additional tools and guidance that will allow CSR to be further integrated into our business operations. We also plan to further refine and systematise our CSR approach by conducting more comprehensive assessments of issues material to our business.

If you have questions or comments, we welcome you to visit our webpage <http://www.lundbeck.com/global/corporate-responsib>, for additional information or to engage with us through compliance@lundbeck.com.

Executive statement

In 2012 Lundbeck has continued to live up to its commitment to the UN Global Compact Initiative by using the ten principles as a guide to integrating Corporate Social Responsibility into our business operations



This year marks the four-year anniversary of Lundbeck's signing of the UN Global Compact and thus our fourth annual Communication on Progress report.

Lundbeck is driven by the desire to make a positive difference to patients affected by brain disorders. This mission is at the core of everything that we do. Therefore, Lundbeck is particularly proud to have taken first place in a 2012 global survey, in which 600 patient associations around the world evaluated the ability of 29 pharmaceutical companies to meet patient expectations. Our commitment to creating long-term value for patients, as well as all our stakeholders, is also reflected in our Corporate Social Responsibility (CSR) initiatives.

At the same time we are committed to conduct our business in a sustainable way and according to high ethical standards. We continue to look to the UN Global Compact and its ten principles of human and labour rights, environmental protection and anti-corruption, as we develop our CSR approach and adapt to changing societal expectations on social and environmental issues.

2012 has been a year of several important milestones. We have updated the Lundbeck Code of Conduct in order to live up to tightened global requirements and stakeholders' expectations to our company. This is reflected in improvements to our responsible sourcing practices and the introduction of new guidelines for evaluating Lundbeck's suppliers including due diligence procedures. We have also improved our approach to interaction with healthcare professionals in order to increase transparency. In 2013 we will continue these efforts by developing additional guidance that will ensure effective global implementation in Lundbeck.

As chairman of the management committee that approves and monitors all our corporate compliance & CSR initiatives, I closely follow and support Lundbeck's CSR efforts in collaboration with the Executive Management team and the Lundbeck Board. In 2012 our management jointly approved Lundbeck's new global strategy aimed at promoting better Access to Health for people suffering from brain disorders. We acknowledge that we have a responsibility to contribute to reducing barriers in terms of availability, accessibility and affordability of medicines to patients, and we plan to address this issue additionally in 2013 by initiating our first corporate Access to Health project.

In the following pages we aim to communicate our progress made as reflected in the UN Global Compact principles. We take great pride in our achievements, and we hope that you will be inspired to learn more about our approach and to engage in a dialogue with us.



Ulf Wiinberg
President and CEO of Lundbeck

Key targets for corporate compliance & CSR

We outline our targets and achievements on corporate compliance and CSR so our stakeholders can follow our progress over time

In Lundbeck we strive to improve the transparency of our actions in order to fully reflect our commitment to society and the environment. We do this by sharing our approach, performance and future plans with interested stakeholders. For this purpose, the 2012 targets, 2012 status and 2013 goals are outlined below.

	Target 2012	Status 2012	Target 2013
Ethics and behaviour	Update Code of Conduct	Achieved	Develop more detailed Code of Conduct guidance
	Develop and conduct Code of Conduct refresher training course	Not achieved	Develop and launch improved e-learning Execute on updated Code of Conduct introduction course to new employees
	Continued coordination of cross-functional audits covering Code of Conduct topics (Audit Coordination Group)	Achieved	Additionally increase task sharing between audit personnel and train audit personnel in supplier evaluation process
	Conduct compliance reviews in business units & affiliates based on Code of Conduct Risk Map	Achieved	Conduct four compliance reviews in Lundbeck Affiliates and third parties
	Report risk map and report to Corporate Management Group every quarter	Achieved	Has become part of established business process and will continue in 2013 onwards
	-	-	Develop Corporate Guideline on Interactions with Healthcare Professionals (HCPs)
	-	-	Develop and implement new Whistleblower solution
Supplier Evaluation	Follow up on implementation of Corporate Guideline	Achieved	Implement new version of Corporate Guideline and SOP in Lundbeck Denmark and initiate implementation in Lundbeck affiliates globally
	Develop and implement tools	Partly achieved	Finalise supplier evaluation tools and IT-system to assist the implementation of Corporate Guideline and SOP
	Make information available to stakeholders on company web page	Not achieved	Make information available to stakeholders on company web page

	Target 2012	Status 2012	Target 2013
	Implement third party due diligence in supplier & collaborator evaluation process	Partly achieved	Conclude implementation globally
Access to Health	Develop framework for the Lundbeck Access to Health Strategy	Achieved	Conclude mapping of scope and consolidate on strategy
	Publish strategy on www.lundbeck.com	Not achieved	Publish strategy on www.lundbeck.com
	Initiate one corporate Access to Health project	Not achieved	Management sign-off on first corporate Access to Health project
Health, Safety & Environment	Reduce energy consumption and CO ₂ emissions by 15% in 2012 compared to 2010.	Achieved	Reduce energy consumption and CO ₂ emissions by 40% in 2016 compared to 2006.
	Recover 50% of selected solvents in manufacturing operations	Achieved	Recover 50% of selected solvents in manufacturing operations
	Achieve accident frequency of ≤ 5 per million of work hours	Not achieved (6)	Achieve accident frequency of ≤ 4.5 per million of work hours
	Achieve days of absence per accident ≤ 5	Achieved	Achieve days of absence per accident ≤ 4
	Obtain score in Employee Satisfaction Survey ≥ 74	Achieved (87%)	Obtain score in Employee Satisfaction Survey ≥ 74

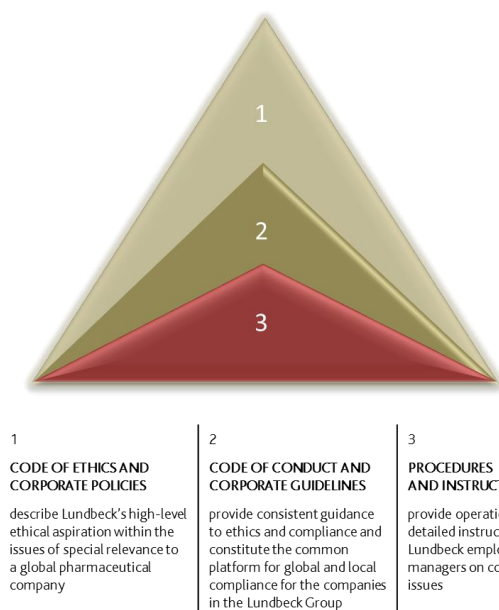
Activities covering all principles in the UN Global Compact

Some of our activities relate to all or several principles in the UN Global Compact, most notably our Code of Conduct and Supplier Evaluation

The Lundbeck Group Compliance Structure and Code of Conduct

The Code of Conduct, along with corporate guidelines on key CSR and compliance issues, forms an essential part of the Lundbeck Group Compliance Structure. The Group Compliance Structure has functioned as the overall framework for organising Lundbeck's CSR and compliance work since its introduction in 2009. The overall aim of the framework is to strengthen processes, increase

transparency and minimise ethical and compliance risks across the Lundbeck Group. The elements of the Group Compliance Structure are organised in three layers, as illustrated to the left.



Lundbeck's Group Compliance Structure, 2012

Since 2010 the Lundbeck Code of Conduct has been our common platform for addressing ethical issues and managing compliance across the Lundbeck Group. It covers aspects of our day-to-day work and relations with healthcare professionals, patients, patients' associations, public authorities, scientists and business partners as well as other stakeholders in society.

In order to ensure that employees in Lundbeck are informed about what is expected from them, all new employees are trained in the Code of Conduct and are obligated to pass an e-learning course once training is concluded.

Revising our Code of Conduct

Requirements and expectations to global businesses such as Lundbeck are constantly changing.

The tightening of international laws, updated industry codes, namely the revision of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) Code of Practice, as well as the mainstreaming of international standards on responsible business practices, such as the OECD Guidelines for Multinational Enterprises, are examples of external factors which have an impact on Lundbeck's way of doing business. This is for example the case on issues of anti-corruption, the way pharmaceutical companies interact with healthcare professionals (HCPs) and the increased responsibility for the way our business partners behave.

In 2012 we have updated our Code of Conduct to properly reflect these tightened requirements. Revisions to our Code of Conduct have also taken into account audit observations, feedback on implementation from our employees as well as collected best practices.



As a result of the revision, our Code of Conduct, which can be found on www.lundbeck.com, is now more explicit than before. More specifically, the principles for appropriate ways of interacting with HCPs have been amended and specified and tighter controls for recording and reporting on our interactions with HCPs have been introduced. The same is the case for the ways in which we evaluate our suppliers on CSR and compliance issues (see below).

To make the operational translation of these requirements more precise and provide examples on how to establish a minimum level of compliance with the individual principles, we will be issuing more detailed guidance documents for a number of the Code of Conduct issues in 2013. Furthermore, Corporate Guidelines and Standard Operating Procedures (SOPs) will also be introduced on Supplier Evaluation and Interactions with HCPs in order to provide hands-on guidance for Lundbeck employees that are particularly involved with the operationalisation of these principles in their daily work.

In addition we plan to launch a new Code of Conduct e-learning tool globally during 2013.

Audits and compliance reviews on Code of Conduct principles

During 2012 we conducted more than 140 audits within areas of the Code of Conduct. These audits were carried out individually by our auditors representing research and development, production, health, safety and environment (HSE), marketing, sales and finance. The audits are prioritised to ensure adequate identification and mitigation of risks relating to the Code of Conduct. The criteria for this prioritisation cover business risks as well as geographical risks relating to fraud, corruption, human rights, labour rights and environmental risks. The audits are an important part of our learning culture and result in documented observations including recommendations and corrective and preventive actions. In particular, we have conducted compliance reviews in our own business units and affiliates and will in 2013 also review a number of third parties on site.

An improved process for evaluating suppliers

Every year Lundbeck sources products and services for billions of Danish kroner from thousands of suppliers and business partners globally. We do this in accordance with the previously mentioned OECD Guidelines, the UN Global Compact and Lundbeck's Code of Conduct. We regard our suppliers as important partners with which we aim to develop longstanding relations. Therefore, the purpose of the supplier evaluation process is not only to mitigate risks in our value chain, but to engage in dialogue with our suppliers in order to raise standards.

For these reasons, this year we have continued our efforts in developing a supplier evaluation process that will be implemented in all sourcing processes across the Lundbeck Group during 2013 and 2014. Firstly, a mutual commitment to compliance with human rights, employee rights, environmental protection and anti-corruption is embedded in Lundbeck's contracts with suppliers and third parties. Secondly, we developed a corporate guideline on supplier evaluation, which was launched for implementation. In 2013 the guideline will be further improved, and a detailed SOP will be introduced to assist global implementation.

The improved supplier evaluation process involves categorising existing and potential suppliers in according to relevant compliance risks, evaluating suppliers as well as requiring suppliers to provide

documentation covering issues of corporate governance, employees' health and safety, environmental impact as well as human and labour rights. It also involves due diligence of key suppliers as well as the introduction of an IT-system that enables the internal exchange of evaluation results and performance monitoring across the Lundbeck Group.



Key steps of the new Supplier Evaluation process

We will always try to work with our partners and suppliers and build long-term relationships rather than impose sanctions and terminate contracts. However, in rare cases contract termination may be necessary. In 2012 one contract was terminated due to poor performance.

It is too early to measure the impact of the mentioned improvements, but actions to ensure effective implementation and follow-up will continue in the coming years. Part of this is to exchange best practice experiences with peers through networks including the UN Global Compact Nordic Network and the Danish Business Network for Human Rights.

New Whistleblower tool

In 2012 we have been in the process of developing easier grievance access for stakeholders over Lundbeck's business practices, anonymously if desired, which will further our compliance with the OECD Guidelines for Multinational Enterprises on responsible business conduct. In 2013 these efforts will materialise with the planned launch of a new Whistleblower function, which will become a critical component of Lundbeck's Global Compliance Structure. It will allow both employees and external parties to report suspected misconduct in a confidential and secure manner, for example in case of unlawful promotion, quality issues, animal ethics, financial fraud or employee harassment.

Activities covering Human Rights principles

The UN Global Compact states: Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses

Access to health

Business's obligations to respect human rights are becoming increasingly well-defined within the UN Human Rights Council's "Protect, Respect and Remedy" framework. Lundbeck supports and respects this framework and the Universal Declaration of Human Rights. In addition to our human rights responsibilities as an employer, we believe that we have a significant impact on society in our promotion of access to health.

Lundbeck is committed to improving the quality of life of people suffering from brain disorders, and we acknowledge this goes beyond our responsibilities as a developer of pharmaceuticals. We aim to take steps to continuously reach more people suffering from brain disorders in partnerships with other stakeholders and thereby promote better access to health for these people.



During 2012 we have met with external experts to discuss and develop an access to health strategy with defined actions and timelines. The strategy, which has been approved by our Corporate Management Group, defines Lundbeck's long-term approach and constitutes the framework for concrete action going forward. To make a significant contribution to improved healthcare, the strategy responds to issues relating to availability, accessibility, acceptability and the quality of treatment, including how it affects patients' quality of

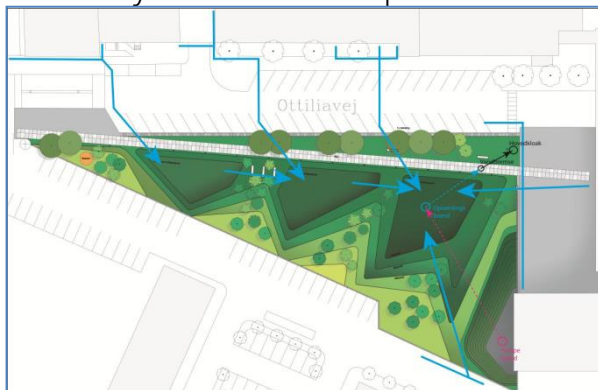
life. The strategy includes prioritised actions to raise awareness of brain disorders and identify the main barriers to improving quality of life. These barriers could be psychological, cultural, economic, structural or knowledge-based, while actions to overcome them can include public awareness-raising, education, anti-stigma initiatives, improving diagnosis and access to treatment.

Lundbeck is present in 57 countries worldwide and interacts with a variety of stakeholders in the local healthcare systems. Actions carried out in the coming years under the Access to Health strategy will aim to demonstrate that we recognise our social responsibility and that we want to contribute to addressing the global health challenge of brain disorders. We respect the complexity and scale of the challenge at hand and will use our global presence and experience to promote access to health for people suffering from brain disorders.

In particular, we are currently concluding the mapping of the scope of current and potential new access to health initiatives across the Lundbeck Group and consolidate on our strategic framework. In 2013 we plan to achieve management sign-off on the first flagship corporate access to health project, which will pave the way for additional projects in 2014. Efforts will also include more detailed communication on Lundbeck's approach to access to health to internal and external stakeholders.

New water drainage facility and park: Advantages for local community

In recent years Valby and the greater Copenhagen area have been subject to several cases of heavy rainfall occurring within a short period of time, thereby resulting in the overload of local drainage and sewer systems and subsequent damages to private homes and businesses. An unusually heavy 2011 rainstorm has been estimated by Danish insurance companies to have cost approximately 900 million USD in damages



throughout the Copenhagen area (Børsen, 2012). On the same occasion a minor part of Lundbeck's facilities in Valby was flooded.

In 2012 as part of a larger climate protection project, we started plans to renovate the park area in front of our headquarters in Valby including developing a new water drainage system to help delay and remove large amounts of rainwater from the local area. By delaying rainfall, Lundbeck contributes to reducing the load on the local community's public sewer system, which is meant to absorb the majority of the rainwater, thus reducing the risk of damage to our own properties

as well as those of our local neighbours.

Construction of the facility will be finalised in 2013 and will consist of three connected basins with a total volume of 875,000 litres as well as pumps and water flow regulators, which enables Lundbeck to control the gradual flow of water to the public sewer systems. The facility will be capable of absorbing increased rainfall intensity of up to 30-40%, which is likely to be the case in the future considering vast climate changes.

At the same time, the facility and park will shape the aesthetic and architectural expression of the Lundbeck site. A walk pathway runs along the facility, and trees, grass, flowers and Danish herbs previously used for medicinal purposes, such as water mint and lemon balm, are planted. This also creates a beneficial environment for the local beehives that are placed on the park area. The beehives are part of a local community project, **Bybi (City Bees)**, that Lundbeck has supported since 2011.

The non-profit organisation Bybi works to create opportunities for citizens with difficulties obtaining employment due to unfortunate conditions. Bybi engages in partnerships with local companies that buy beehives to be set up on their premises and fund the training of assistant beekeepers to care for the beehives and harvest the honey. The beekeepers are for example individuals suffering from psychological disorders or homeless. The project thus helps to add purpose and quality to the lives of members of the local community. Children from local schools and child care centres are also invited to visit the beehives and learn about the honey-making process.



Lundbeck has supported the Bybi project in 2012 and will continue to do so in 2013.

Activities covering Labour principles

The UN Global Compact states: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation

The main activities in 2012 covering the principles in UN Global Compact regarding Labour were integrated primarily in our Health, Safety & Environmental (HSE) Policy, our Human Resource Policy and the improvements made in assessing our supply chain in relation to Labour standards (see page 8). The activities covering health and safety are covered in this section, and the environmental activities are covered in the following chapter.

Our approach

Lundbeck aims to be a leader in ensuring a safe and healthy work environment for our employees. The Lundbeck HSE goals are revised on an annual basis and form part of Lundbeck's overall HSE Strategy. The current HSE Strategy was approved in 2011 by the Corporate Management Group and was expanded in 2012 to include goals and initiatives for health promotion. Monitoring progress and measuring quantitative goals take place through a dialogue with managers and employees in Lundbeck's lines of business in order to make necessary revisions for future years.

Our HSE strategy is translated into action in our HSE system which provides detailed guidance to managers and employees for how to integrate HSE considerations into daily work processes. The HSE management systems are certified according to ISO 14001 and OHSAS 18001 and cover our Danish headquarters, research, development and production sites in Denmark, Italy, France and the United States.

Occupational Health and Safety

In 2012 Lundbeck's efforts in ensuring a safe and healthy work environment have been overall successful with most planned activities having been implemented.

Measuring our goals on an annual basis provides a useful basis for identifying improvements. During this year our employees in Denmark, Italy and at our research facility in the United States were asked to assess their work environment; 87% took part in this annual assessment. Overall, the results indicated a high degree of satisfaction, but there is still room for improvement. We have therefore introduced several initiatives to promote employee wellbeing, including improved information addressing stress, conflict management etc.

Our strategic HSE efforts enable us to manufacture pharmaceuticals in a continuously safer manner. This year we were pleased to see the lowest level of sick leave per accident since 2006. This indicates that the severity of accidents has reduced. However, at the same time we experienced an undesired yet minor increase compared to 2011 in the total number of accidents. Every accident is systematically reviewed by a dedicated taskforce in order to ensure that preventive actions are initiated, and these efforts will be intensified in 2013.

We have worked harder to specifically address common job-related hazards and improved risk mitigation in our pharmaceutical production. Lundbeck is committed to improving our training

programmes regarding work-related risks, as we know that this is crucial in order to build and maintain an effective safety culture.

We have also further developed our comprehensive industrial hygiene programme, which includes toxicological tests, dust measurements and calculation of exposure limits for active substances. Based on these measurements we evaluate and design workplaces and procedures that will ensure safe workplaces.

We have experienced a greater interest within the organisation in ensuring a good psychological work environment. In 2012 all managers and HR managers/partners have been informed about psychological work environment materials and tools available at Lundbeck, and a campaign for positive energy and appreciative dialogue has been launched. For example this has been instrumental in helping employees via stress coaching to avoid taking sick leave.

Lundbeck's HSE activities and goals in 2012

Focus areas

Energy and CO ₂	Implement energy screenings and optimize technical systems globally	✓	Reduce energy consumption and CO ₂ emissions by 15% in 2012 compared to 2010 ✓ ÷
	Revise the CO ₂ strategy	✓	
	Support local energy activities	✓	
Consumption and waste	Reduce volume of waste through recovery and recycling	✓	Recovery of 50% of selected solvents ✓
	Support local consumption and waste activities	✓	
Physical and psychological work environment	Initiate activities on the basis of Workplace Assessment 2012	✓	Job satisfaction ≥ 74 - Accident frequency ≤ 5 ÷ Absence per accident ≤ 5 ✓ Workrelated diseases ≤ 2 ÷
	Implement systematically HSE risk assessment	✓	
	Implement campaign on job satisfaction and the appreciative dialogue	✓	
Health Diet, smoking, alcohol and exercise	Offer health checks to cleaning personnel (pilot project in Valby)	✓	Goals will be set when the pilot project and evaluation of current activities have been completed ✓
	Map and evaluate current health activities	✓	
	Set up health portal on BrainWeb	✓	

This year we made health promotion a priority in Lundbeck's HSE strategy in order to ensure a continued focus and monitoring of long-term health effects. Smoking cessation courses, dietary counselling, exercise and other activities have been offered for several years to promote employees' health and wellbeing. In addition we have introduced a successful pilot project, which has involved 50 service employees who received health checks and were offered counselling and physical exercise. This will be followed up by another health project in 2013.

Lundbeck has carried out nine internal audits and had three external audits concerning Health, Safety and Environment in 2012. Lundbeck has had very positive feedback from the external auditors in connection with our systematic work within environment and work environment, but there is still room for improvement in our risk assessment efforts. Therefore in 2013 work will continue on the development of tools, implementation of risk assessment of new and existing work processes, and the establishment of new procedures for risk assessment of organisational changes will also take place.

Activities covering the Environmental principles

The UN Global Compact states: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies

Reducing the environmental impact is an important goal for Lundbeck's Health, Safety and Environment (HSE) strategy. On a global scale many activities are initiated, and some of the results are described in this report. Our strategic HSE efforts have enabled us to manufacture pharmaceuticals using less energy, generating less waste and emitting less CO₂ than ever before.

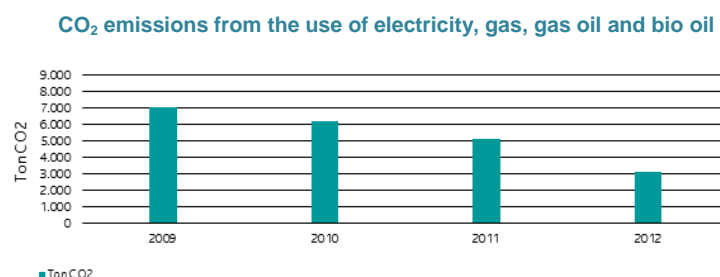
Reducing our carbon footprint

Since 2006 we have been optimising our energy consumption and reducing CO₂ emissions through cross-organisational collaboration and the use of clean technologies. We achieved our original 25% CO₂ reduction target in 2011, five years ahead of plan, and in 2012 reduction reached 34%. We are now raising the bar and have committed to reducing CO₂ emissions from our operations in 2016 by 40% compared to 2006. Without compromising product quality or employee safety, we will keep optimising processes and utilities, primarily ventilation and cooling systems.

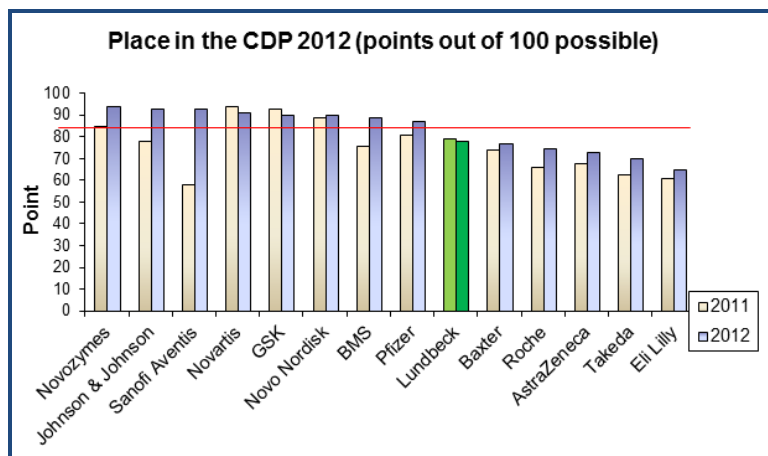
Establishing a new steam boiler and introducing bio oil

In order to ensure a reliable delivery of steam to our production and reduce our CO₂ emissions, the existing steam boiler in Lumsås was replaced in spring 2011 with a new boiler, which makes it possible to use bio oil as well as gas oil. Using bio oil rather than gas oil will lower CO₂ emissions by 85% per MWh. The reason why emissions can be reduced so heavily is that the bio oil that is used is in fact a residue coming from the European oil industry, where bio oil is a side product to the refining of edible oils. As the oil is a residue, it is unsuitable for humans or animals to consume but easily useable for production purposes.

The introduction of bio and gas oil means that in the future our Lumsås site will be able to reduce its CO₂ emissions by almost 30% or approximately 1,500 tonnes CO₂. From 2010 to 2012, CO₂ emissions from the use of electricity, gas, oil and bio oil has been reduced by 50%.

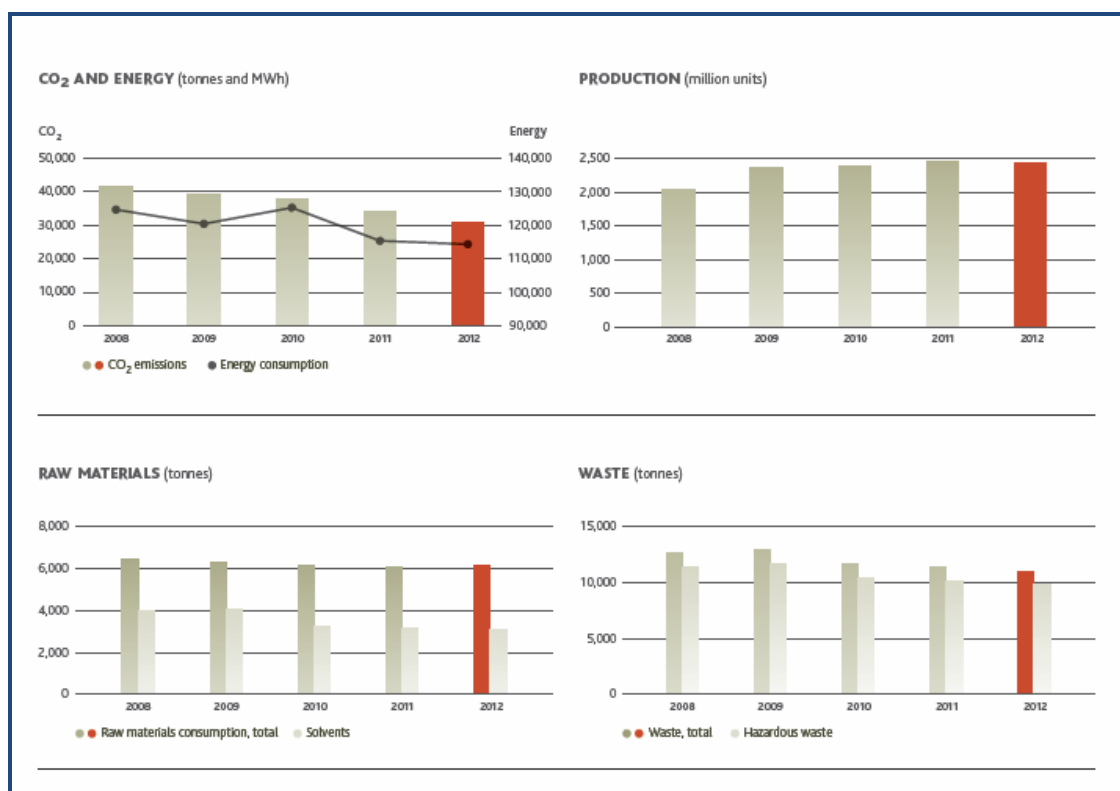


Lundbeck continuously benchmarks itself against other pharmaceutical companies. For example, Lundbeck has joined the Carbon Disclosure Project (CDP) index, which assesses companies' climate efforts and handling of climate risks. The results are publicly available and viewed for example by Lundbeck's investors and other stakeholders. The graph below illustrates Lundbeck's place in the index compared to our peers.



Reducing environmental footprint

Minimising the direct environmental impact of our products is another important objective. In 2012 waste volumes declined by 3.8% compared to 2011, even though we observed a minor increase in the consumption of raw materials due to alternating production patterns.



Environmental figures taken from the Lundbeck 2012 Annual Report

This year we have continued to focus on regenerating solvents at Lundbeck's production site in Lumsås, Denmark. Our goal was to regenerate 50% of used solvents, and this goal was reached. Regeneration takes place decentrally in production areas as well as centrally in a regeneration unit site.

Regeneration of three of our used solvents, Acetonitril, Toluen and Ethanol, has been implemented, and a number of other solvents are regenerated in the local production areas. Almost 2000 tonnes of solvents have been regenerated in total in 2012. During 2013 Lundbeck will assess whether the current regeneration unit has enough capacity to add an additional solvent to the list.

Pharmaceuticals and the environment



Lundbeck continuously focuses on minimising the environmental impact of our products. Before we are allowed to market these compounds as new pharmaceuticals, we are obliged to test and assess their environmental impact. The gained knowledge is applied to the design and manufacturing process with the least possible environmental impacts.

The scientific literature provides very little information on real environmental impacts from the presence of pharmaceuticals. Therefore, the pharmaceutical industry

acknowledges and supports the need for greater efforts in understanding the long-term environmental impact of man-made substances, including medicines, and in minimising their release into the environment.

As a member of the EHS (Environmental, Health and Safety) network in the European Federation of Pharmaceutical Industries and Associations (EFPIA), Lundbeck supports this effort. The Network has [Pharmaceuticals in the Environment \(PIE\)](#) on the top of their agenda. The participants also exchange experiences and contribute to the development of environmentally-friendly processes and technologies in the pharmaceutical industry.

Activities covering the Anti-Corruption principle

The UN Global Compact states: Businesses should work against corruption in all its forms, including extortion and bribery

Managing corruption and bribery risks across Lundbeck

The key activities covering the principles in the UN Global Compact regarding Anti-Corruption were integrated into the revision of our Code of Conduct, which took place during 2012 (see pages 7-8), and the improved supplier evaluation process (see page 8).

Lundbeck has a zero tolerance regarding bribery including facilitation payments, and part of the improved supplier evaluation process is aimed at mitigating risks associated with corruption and bribery in our value chain. Suppliers are categorised as more high risk if operating in areas with a history of corruption and bribery concerns. These suppliers undergo a more detailed evaluation including specific questions on whether they allow facilitation payments, whether they have policies and procedures in place to reduce the risk of corruption and whether they educate and inform employees and/or own suppliers about these issues. Likewise, anti-corruption and anti-bribery principles form part of the contracts which we ask our suppliers and third parties to sign before they can enter into business with Lundbeck.



Compliance with Lundbeck's Code of Conduct principles is monitored through the Compliance Risk Map process, and compliance reviews are coordinated in the Lundbeck Audit Coordination Group. These two processes were implemented in 2011 and have successfully become part of established business processes since. The Compliance Risk Map is a vital part of the Code of Conduct compliance reviews that is managed by the Lundbeck Audit Coordination Group (ACG).

The ACG coordinates reviews that involve more than 40 different Lundbeck auditors from more than seven corporate audit functions. In 2012 they conducted more than 140 audits (see page 8) including reviews on anti-corruption issues. The compliance reviews of affiliates were initiated in 2011 and have continued successfully since. The systematic compliance reporting and update of risk map is conducted four times per year.

Furthermore, the current development of a new Corporate Guideline on Interactions with Healthcare Professionals (HCPs) and a new whistleblower tool, which will both be launched in 2013, represent two additional activities which will help strengthen Lundbeck's anti-corruption and anti-bribery efforts.

Methodology

Scoping our UN Global Compact report

Lundbeck signed the UN Global Compact in September 2009. By doing so we have committed ourselves to actively advance the ten principles for sustainable business development in the areas of human rights, labour, the environment and anti-corruption and publicly report on our progress. This is the fourth report to the UN Global Compact.

To be transparent we have chosen to display the following information about the methodology used for developing this report.

Report scope

This report describes our activities and progress in 2012 as well as some descriptions of planned activities and goals for 2013. It covers all our sites including subsidiaries.

Data collection and quality

The HSE data covers Lundbeck research, development and manufacturing sites. The data are assured by Deloitte. Our sales subsidiaries world-wide and the former Ovation Pharmaceutical and Lifehealth businesses are not covered by these data.

Stakeholder engagement

This report has been developed without direct engagement of external stakeholders.