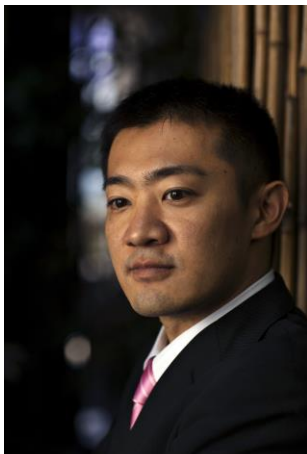




**LUNDBECK**

UN GLOBAL COMPACT  
2018 COMMUNICATION ON  
PROGRESS REPORT





### **MASASHI FUJISAWA**

Masashi is 39 and resides in Tokyo, Japan. Here he lives with his parents and two siblings.

Masashi works full time in an organization that helps people with physical and mental disabilities finding work.

He is diagnosed with general anxiety disorder and sees his psychiatrist once a month. Masashi has not experienced heart palpitations or sweats in many years.

# CONTENTS

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Executive statement	4
Our business model and sustainability framework	5
Ethics	7
Society	8
Employees	9
Environment	11
Key performance indicators	13
Auditor's assurance report	14

## REPORT SCOPE AND METHODOLOGY

Lundbeck's values and the UN Global Compact principles set out the framework for our business conduct and our sustainability efforts. We have assessed that these efforts directly support six of the UN Sustainable Development Goals and several of the underlying targets. This report represents Lundbeck's tenth annual Communication on Progress to the UN Global Compact and our non-financial report on sustainability according to the Danish Financial Statements Act.

The report describes Lundbeck's global activities and progress in 2018 (1 January to 31 December), and contains descriptions of planned activities and targets for 2019. The report has been developed without direct engagement of external stakeholders.

The scope of the report comprises our corporate headquarters in Denmark and global affiliates. The health, safety and environmental (HSE) data only covers our headquarters and larger<sup>1</sup> affiliates with research, development and manufacturing activities. A detailed HSE reporting practice is available at <https://lundbeck.com/global/sustainability/environment/reporting>.

The key performance indicators for 2018 presented on page 13 and the proportion of the underrepresented gender at the other managerial levels presented on page 9 have been assessed by Deloitte in accordance with the ISAE 3000 standard to obtain limited assurance. The assurance statement is found on page 14.

<sup>1</sup> Lundbeck affiliates with more than 50 employees.

# EXECUTIVE STATEMENT

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Lundbeck has been supporting the UN Global Compact since 2009 and we continue to promote initiatives that demonstrate our commitment to these principles.

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I am pleased to express our continued support to the UN Global Compact that Lundbeck became a signatory to in September 2009. We recognise our corporate responsibility to respect human and labour rights, to commit to environmental protection and to work against corrupt behaviour.

The report provides an overview of the progress we have made during 2018 where we fulfilled seven of our nine sustainability targets. It shows how we are contributing to the six Sustainable Development Goals that are most relevant to our company.

Many of the reported activities reflect years of dedicated work, learning and a continuous evaluation to define further actions. We know how challenging it is to successfully promote a sustainable development. We will maintain our explorative approach and appreciate any input from stakeholders that can help us to define better ways to achieve our objectives.

I hope you will enjoy reading the report.



Deborah Dunsire  
President and CEO of Lundbeck

*‘We continuously evaluate our performance to ensure our strategic actions support a sustainable development’*

# OUR BUSINESS MODEL AND SUSTAINABILITY FRAMEWORK

Lundbeck is dedicated to restoring brain health so every person can be their best. In this section, we outline our business model along with our strategic framework, achievements and targets on compliance and sustainability.

Lundbeck is a global pharmaceutical company engaged in research & development (R&D), production, marketing and sale of innovative pharmaceuticals. We build on our strong scientific understanding of brain diseases to develop transformative medicines and on our global presence to bring innovative therapies to people living with psychiatric and neurological diseases.

According to the World Health Organization, WHO, more than 700 million people live with psychiatric and neurological disorders globally. These are serious and life-threatening diseases that affect the quality of life of the patients as well as of their relatives. As these diseases also involve major socio-economic costs, it is imperative for the general society that new and innovative pharmaceuticals are developed. Over the past 70 years, new pharmaceuticals have revolutionised the treatment options, but there remains a large unmet need for new and innovative therapeutics.

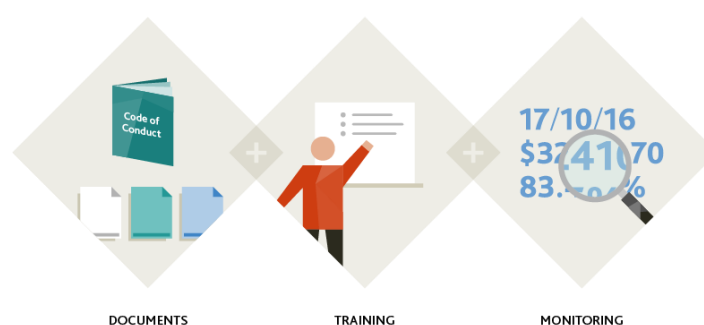
Despite the challenges of brain science, Lundbeck remains committed to deliver the innovation that patients need. We work tirelessly to advance neuroscience, develop new and innovative treatments and support patient communities. Everything we do serve our overall purpose of restoring brain health and transforming the lives of the millions of people living with brain diseases.

Focus on R&D is the most important pillar in Lundbeck's ambition to improve treatment for people living with psychiatric and neurological disorders. We are specialists in our area and have approx. 900 employees working within R&D. 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 markets several different pharmaceuticals for the treatment of psychiatric and neurological disorders. You can read more about our business activities in Lundbeck's Annual Report 2018 and on [www.lundbeck.com](http://www.lundbeck.com). Our sustainability framework aims to ensure that our business activities are conducted in a way that mitigates the related significant risks and supports the UN Global Compact Principles and the relevant UN Sustainable Development Goals (SDG).

LUNDBECK'S SUSTAINABILITY FRAMEWORK	UN GLOBAL COMPACT PRINCIPLES	UN SUSTAINABILITY DEVELOPMENT GOALS (SDG)
<b>Ethics:</b> Ethical considerations we make while delivering safe and efficacious medicine to patients	Human Rights principles (1 and 2)	
<b>Society:</b> Our contribution to local economies and actions to prevent corruption and bribery in any form	Labour Rights and Anti-Corruption principles (3, 4, 5, 6 and 10)	 
<b>Employees:</b> Providing safe and healthy working conditions, respecting labour rights and promoting employee development	Labour Rights principles (3, 4, 5 and 6)	 
<b>Environment:</b> Preventive actions we take to minimise the environmental impact of our business activities	Environmental principles (7, 8 and 9)	 

Risks within the four focus areas Ethics, Society, Employees and Environment are continuously assessed and managed as part of the planning and execution of our business activities. As a research and development based global pharmaceutical company many of these risks are governed by detailed legal requirements or industry self-regulation. Consequently, we have established a Compliance Structure (illustration) to ensure that relevant requirements and controls are clearly described (documents), are properly understood (training) and are being followed, and that areas of improvement are identified (monitoring).



Collectively the management of our significant risks aims to assure safe use of our medicine, avoid unethical conduct by our employees and business partners, provide decent, safe and healthy working conditions, optimise our use of resources and minimise adverse impacts on the environment. Based on this we annually evaluate our sustainability performance and establish targets for the coming year to enhance our risk mitigation, business processes and performance. The result of the evaluation and the new targets are shown below.

	TARGET 2018	STATUS	TARGET 2019
Ethics	Update Code of Conduct and provide training for all Lundbeck employees globally	Achieved (page 7)	Implement the updated Code of Conduct and provide training for all employees globally
	Promote responsible and transparent interactions with Healthcare Professionals	Achieved (page 7)	Update global procedures for responsible and transparent interactions with Healthcare Professionals and patients
	Support mental health and well-being by analysing our role and defining further actions within suicide prevention	Achieved (page 7)	Conduct actions to support the SDG 3 and engage our global affiliates in suicide prevention at the World Mental Health Day
Society	Enhance the global process for evaluation, due diligence and monitoring of suppliers	Achieved (page 8)	Implement the updated global due diligence and monitoring process for suppliers and third parties in scope
Employees	Lost time accident frequency $\leq 5$	Not achieved (page 9)	Lost time accident frequency $\leq 5$
	Work related diseases $\leq 2$	Achieved (page 10)	Occupational diseases $\leq 2$
Environment	Reduce CO <sub>2</sub> emissions by 3% in 2018 compared to 2017	Achieved (page 11)	Reduce CO <sub>2</sub> emission by 3% in 2019 compared to 2018
	Recycling of 50% of selected solvents	Achieved (page 12)	Recycling of 75% of the 10 most used solvents.
	Zero environmental incidents with an impact on the environment	Not achieved (page 12)	Zero environmental incidents with an impact on the environment

An overview of selected key indicators for Lundbeck's sustainability performance is provided on page 13.

# ETHICS

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Lundbeck acts as warranted to provide safe and efficacious medicine and we recognise our broader responsibility to support patient's needs. We apply high ethical standards to safeguard the integrity of the stakeholders we interact with.

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Lundbeck is dedicated to restoring brain health. We pursue this purpose in accordance with regulatory requirements defined by authorities and the ethical principles we have articulated in our Code of Conduct. Our actions are governed by these commitments and our dedication to the patients who need our medicine.

We want to give our employees the best possible conditions to act responsibly. Every year all employees are asked to complete ethical training that places our Code of Conduct and relevant procedures in a business context. During 2018, we updated our Code of Conduct and the revised edition will enter into force March 2019. The update reflects changes to internal and external requirements, for instance the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) Code of Practice that have enhanced its controls for pharmaceutical companies' interactions with Healthcare Professionals. Other updates of the Code of Conduct aim to provide additional clarity for instance regarding the use of Social Media.

The global implementation of the updated Code of Conduct that will take place in 2019, includes online eLearning and facilitated face-to-face meetings to engage all our employees and ensure the requirements are understood throughout Lundbeck.

This is an example of Lundbeck's continuous efforts to keep our ethical initiatives appropriate and support the organisation in making the right decisions. The work is driven via two committees with Executive Management members and a mandate to evaluate the company's ethical performance and initiate preventive actions. Decisions are based on extensive information, including findings from Lundbeck's internal monitoring, new regulations from industry associations, monitoring of media, proposed legislation and initiatives related to the Sustainable Development Goals (SDG).

## UN Global Compact principles well-integrated in our business

In recent years, our sustainability team has experienced an increasing interest from our business leaders who want to contribute to Lundbeck's UN Global Compact commitment. Some of these initiatives are included in this report, while other initiatives individually are too small to be included. The internal trend coincides with initiatives to promote transparency taken by the regional and global industry associations we have joined. As a result, anyone can access information about Lundbeck's interactions with healthcare professionals and patients, including exchanges of scientific information, support to patient advocacy groups, educational and promotional activities on [www.lundbeck.com/global/sustainability/ethics](http://www.lundbeck.com/global/sustainability/ethics). We believe that increased transparency will help promote the acceptance of these professional relationships and their value to the enhance patient care. In 2019, we will maintain these efforts and conduct training of key people to ensure a successful implementation of our global procedure for interactions with Healthcare Professionals and patients, which has been enhanced.

## Promoting mental health in support of the SDG 3

One of the United Nation's 17 SDGs is particularly relevant to Lundbeck due to our commitment to improve the quality of life of people living with brain diseases: SDG 3 and target 3.4, which states "By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being". One of the indicators for SDG 3 monitors suicide mortality rates. We share society's concern that suicide is the second leading cause of death among young adults between the ages of 15 and 29, and that mental illness too often lead to suicide.

During 2018, we continued our work to promote mental health in addition to developing, producing and marketing medical treatment. In 39 countries, Lundbeck's affiliates were engaged in the annual World Mental Health Day 10 October and helped raising awareness about mental health within adolescents and young adults. Our corporate working group on suicide prevention met with leading experts and gained valuable insights about protective factors and possible preventive actions that Lundbeck could take to support SDG 3. We will consolidate our knowledge and initiate a set of actions leading up to World Mental Health Day, which focuses specifically on suicide prevention in 2019.



# SOCIETY

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Lundbeck's ambition is to contribute to society by improving the quality of life of people living with brain diseases. We recognise our impact on other societal aspects and act to prevent corruption in any form.

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Lundbeck's most significant contribution to society is developing and delivering innovative treatments of brain diseases. We are fully aware of other societal impacts that our business has at global and national levels. We would like to maintain a business model that gives patients access to efficacious medicine and allows reinvestments in innovation to meet unmet medical needs. We recognise that healthcare systems are facing affordability challenges of innovative medicine. We address some of the complex issues related to pricing in our global pricing position that is available on [www.lundbeck.com/global/sustainability/society](http://www.lundbeck.com/global/sustainability/society).

## **Extending known principles more effectively in our collaborations**

Globally, we engage a wide range of stakeholders such as healthcare professionals, patients, public officials, suppliers and partners. These collaborations serve specific purposes e.g. developing new knowledge about a disease; obtaining a required approval; or entering an agreement to supply or purchase products. Collaborations like these generally add value to the local economies. However, we are conscious that these collaborations potentially may also adversely impact society. Our actions to prevent such adverse impacts take different forms operationally, but the essential principles are derived from our Code of Conduct and our commitment to the UN Global Compact.

As an example, we ask our suppliers to prevent corruption, provide safe and healthy working conditions, minimise their impact on the environment and respect human & labour rights in the mutually binding agreements we enter. Our evaluation approach has gradually evolved since it was established 2005 for suppliers to manufacturing. In 2018, we gathered the vast experience we have gained over the years, carefully assessed what works and identified areas of improvement. Based on the outcome, we have simplified the global due diligence and monitoring procedure to make it more focused and dialogue-based. The updated procedure will be implemented during 2019 in our global affiliates and headquarters.

## **Monitoring to control and establish the right understanding**

Lundbeck's comprehensive monitoring programme is built on systematic collection of information and communication with our global business units, focused discussions, audits and investigation of reported concerns in our Compliance Hotline.

Skilled auditors from our assurance functions conducted 226 internal audits that covered research, development, manufacturing, health, safety and environment, marketing, sales, IT and finance in 2018. They also conducted 157 audits at suppliers and partners. Audits are documented in accordance with Lundbeck's procedures and appropriate actions are taken.

The Compliance Hotline is available for reporting legal or other serious concerns, which cannot otherwise be properly addressed. Reports are handled strictly in accordance with our global investigation procedures, including relevant data protection requirements and Lundbeck's non-retaliation policy, which does not accept any retaliation or discrimination against anyone who communicates a concern in good faith. This reporting option is well-established across our global organisation. We received 15 reports in the Compliance Hotline and completed 11 of the initiated investigations in 2018. Six of these investigations (55%) were substantiated and appropriate corrective and preventive actions were initiated. Four reports were made late in 2018 and these investigations will be concluded in 2019.

In addition to controlling adherence to the Code of Conduct, laws and regulations, we aim to establish awareness of relevant risks and an understanding of how the global procedures best mitigate these risks. This was done successfully in 2018 by involving management from Lundbeck affiliates in Asia, Middle East, South Africa and Latin America in workshops facilitated by our global compliance experts. The workshop concept we have developed, will be applied more widely in the coming years.



# EMPLOYEES

Lundbeck acts to provide a safe and healthy work environment for our employees and to promote diversity and development opportunities for our employees.

Lundbeck wants to offer our approx. 5,000 employees globally employment conditions that respect the individual's fundamental labour rights, offer relevant developing opportunities and a working environment that safeguards their health and safety. Our due diligence procedures and audits aim to ensure the same rights and principles are upheld by our suppliers.

The internationally recognised labour standards as set forward by the International Labour Organisation (ILO) and national requirements form the basis for our corporate policies for recruitment and diversity. We want to support a culture of mutual respect and believe that diversity among our employees contributes to enrichment of ideas that drive innovation and progress. Workplace assessments direct our efforts to provide a safe and healthy workplace. We offer regular training to our managers and employees to minimise the number of work-related accidents and to increase awareness of mental health at work.

We have integrated our policy and procedures within Health, Safety and Environment (HSE) because we believe this approach holds mutual benefits and supports a culture based on continuous improvement, cooperation and business efficiency.

## Diversity in management maintained

According to our target regarding diversity at Board of Directors level, at least one of the members elected by the shareholders should be of the underrepresented gender. In 2018, we had one female board member out of six members elected by the shareholders and one female board member out of three members elected by Lundbeck's employees.

At the other managerial levels, we aim to ensure that the proportion of the underrepresented gender is at least 40% globally. The measurement includes all managers globally who have people management responsibilities. The proportion of female managers was 44% in 2018. Our actions to meet the target are unchanged. We will continuously offer equal opportunities for men and women across organization in accordance with our employee policies and guidelines.

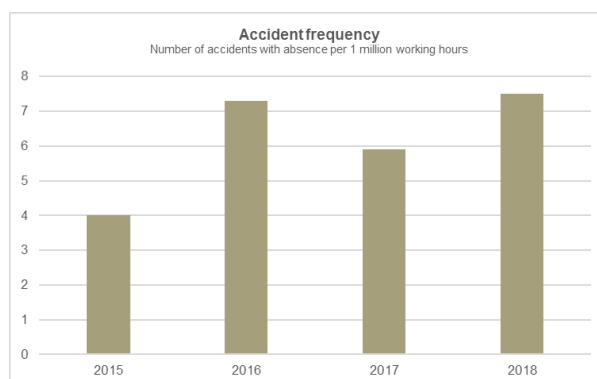
## Commitment to prevent work-related accidents and diseases

Lundbeck strives to minimise the number of work-related accidents and occupational diseases. We systematically register and analyse the root causes to identify preventive actions for these incidents at our sites with research, development and manufacturing. We regularly train managers and employees in work-related risks and safety culture.

To promote the safety culture, we have implemented visual mapping boards showing the severity and location of the incidents. This overview has increased the local awareness and enhanced our possibility to respond faster with more focused preventive actions.

Despite our efforts to reduce the number of work-related accidents, we experienced an increase of accidents per 1,000,000 working hours from 5.9 in 2017 to 7.5 in 2018.

A careful analysis performed in 2018 showed that tripping, slipping and falling is the most common reason behind the accidents.



We systematically conduct risk assessments when establishing new facilities, developing new products and making changes to processes or organisation. Consequently, we have experienced very few work-related diseases in the recent years. In 2018, one work-related disease was recorded.

We are determined to avoid occupational diseases and to reduce the number of accidents. During 2019, we will be working on behaviour-based prevention. This aims to strengthen managers' attention to health and safety and encourage individual employees to act in a healthy and safe way. We would like everyone to be aware of the local risks and take care of their colleagues as well as themselves. Hereby, we believe we can strengthen our HSE culture and increase the awareness on accident prevention.



### Development of health strategy initiated

Lundbeck is committed to improving the quality of life for people living with brain diseases. This dedication plays a key role in the ongoing update of our HSE strategy. We have decided to establish a health strategy with an equal focus on body and mind. In 2018, a cross-organisational project team established a common understanding of the current health challenges. During 2019, they will evaluate the effect of ongoing health initiatives and assess the need for further action. The gained knowledge will be used to define the overall desired outcome and action plan of the future health strategy.

### Completion of REACH registrations and process optimizations

The EU regulation for Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) reached an important milestone in June 2018. Substances manufactured in or imported to the EU in quantities between 1 and 100 tonnes per year had to be registered. For Lundbeck this amounted to the registration of 25 substances.

Since 2014, we have been modifying work processes at our chemical production sites in Denmark and Italy to meet the requirements for Strictly Controlled Conditions (SCC) with closed or contained work processes. The improved conditions provide our employees with an even higher health and safety standard and protects the surrounding environment. The SCC-status provides many advantages, including greater flexibility due to safe handling of more potent substances, faster registration process and higher predictability of substance supply.

We have finalised Lundbeck's REACH implementation project and moved into the operational state. We are aware that maintaining compliance with the established requirements and internal procedures will continue to require a significant effort.

## HSE DATA ON DEVELOPMENT CANDIDATES

After the approval of a Lundbeck Development Candidate, numerous employees may potentially handle the substance for many years. As a standard preventive measure, we carry out risk assessments of relevant processes to ensure safe work conditions where we handle the new substance. Detailed HSE knowledge about the new substance is required. This includes performing computerized toxicity predictions based on the molecular structure (QSAR), testing various properties of the new substance and calculating the Occupational Exposure Limit.

In 2018, we evaluated and improved the existing procedure on HSE data compilation to allow an earlier compilation and communication of the findings.

# ENVIRONMENT

Lundbeck promotes environmental responsibility by optimising manufacturing processes, recycling solvents, controlling pharmaceuticals in the environment and minimising our emissions to the air of CO<sub>2</sub> and other pollutants.

Lundbeck's research, development and manufacturing activities are mainly based on chemical synthesis. Consequently, we use considerable amounts of organic solvents, energy and generate waste and emissions to the air. We are managing these environmental impacts effectively through our integrated approach to Health, Safety and Environment (HSE).

Our environmental responsibility is cascaded from the HSE Policy and put into action via our HSE strategy. This ensures that our actions are prioritised and coordinated to minimise our environmental footprint in the best possible way. We have achieved many results over the years. For instance, we have by the end of 2018 reduced our CO<sub>2</sub> emission by 66% compared to 2006.

## Record certification leading into HSE strategy launch

For more than a decade, the certification of our HSE system to the international standards ISO 14001 and OHSAS 18001 has proven that we have a strong grasp on compliance. Lundbeck's headquarters and all sites with research, development and manufacturing are covered by the system. The system drives our continuous improvements in accordance with the HSE strategy, ensures we achieve the defined targets and enables managers and employees to think and act healthy, safe and green. This way we proactively manage our HSE risks and exploit opportunities across the value chain. In 2018, the system was certified to the updated ISO 14001 standard with a very satisfying result. The external auditors made the lowest number of observations in this type of audit in our history.

We are finalising the improvement of our HSE strategy that will be launched in 2019. The new strategy aims to strengthen our cross-organisational HSE culture and extend our historical HSE performance in the coming years by means of communication, knowledge sharing and collaboration.

## Reduced CO<sub>2</sub> emission despite a slight increase in energy consumption

Over the years 2006 to 2017, Lundbeck has reduced its energy consumption by 35%. Expansions of our manufacturing and laboratory facilities combined with new quality requirements makes it difficult to maintain this development. In 2018, we have implemented several energy conserving initiatives. For instance, we optimised a cooling plant and achieved an annual saving on 400 MWh, which is equivalent to the annual energy consumption of approx. 16 households. Despite this and other initiatives, our energy consumption increased with 1% in 2018 compared to 2017.

We remain determined to reduce our overall CO<sub>2</sub> emission and have decided to request certificates of origin for renewable energy when purchasing electricity. With this initiative, we reduced the CO<sub>2</sub> emission in 2018 by 7.4% compared to 2017 and achieved the defined target.

Target 2018

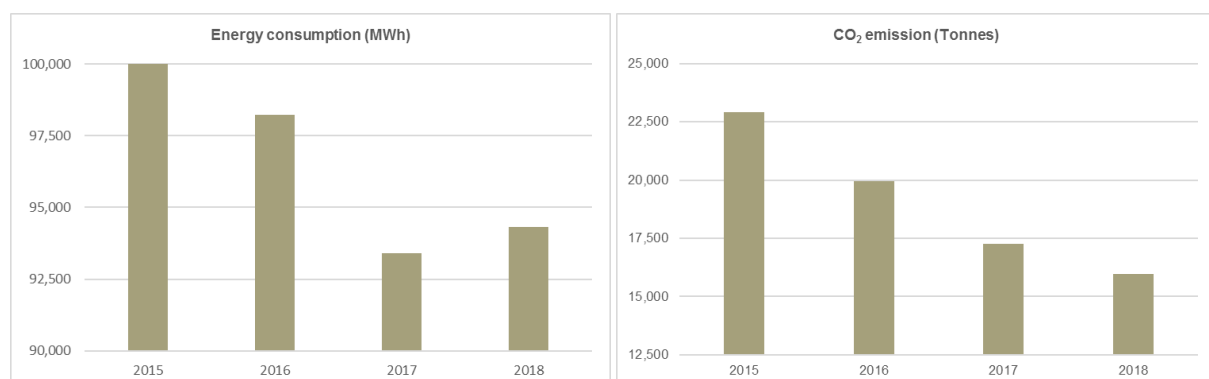
**3%**

Reduction in green-house gas emissions

Result 2018

**7.4%**

Reduction



### New long-term climate target defined for 2026

Lundbeck has defined a new long-term reduction target that now includes our entire greenhouse gas emission inventory. This is made up of direct emissions e.g. from own combustion of fuels (Scope 1), indirect emissions e.g. from purchased energy (Scope 2) and lastly other indirect emissions e.g. from purchased services or materials (Scope 3). The 2026 target includes a 30% reduction of Scope 1 and 2 emissions compared to 2016.

For the first time, we have included Scope 3 emission in the reduction target. We aim to achieve this via the recovery of solvents, internal process optimisations and by influencing our most CO<sub>2</sub> emitting suppliers. Our long-term climate target is aligned with the principles in the Paris Agreement, UN Climate Change Conference of the Parties (COP-21). The target's level of reduction (Scope 1 and 2) corresponds to the reduction that is required by all nations to keep the global warming below two degrees in 2100.

### Climate effort acknowledged

Lundbeck has made it a priority to track and disclose our CO<sub>2</sub> emissions. This effort was acknowledged by the Carbon Disclosure Project (CDP), which is a leading global environmental benchmark. The CDP rates the companies' ability to disclose and manage their greenhouse gas emissions. For the third consecutive year, we were included in the Leadership band in 2018 with the scoring A-, which is the second highest ranking. The demands to achieve the ranking are continuously increasing. We will strive to maintain this leadership ranking in the coming years.

### Increased use of circular economy supports Sustainable Development Goal 12

Lundbeck has for several years been optimising processes and recycling waste, which has benefited the environment and reduced costs. In chemical production, we have applied the principles of Green Chemistry to increase the process yield, use less hazardous substances, reduce the overall consumption of solvents and generation of waste.

Solvents are recovered and reused several times. In 2018, we managed to recover 76% of the most used solvents. This eliminated the need to purchase approx. 5,600 tons of solvents and consequently saved additional resources for external production, transportation and waste management. It should be noted that we during 2018 changed the calculation of the recovery percentage to reflect the total recovery of the 10 most used solvents. The target and result is therefore not directly comparable. It is not possible to recycle all chemicals at our factories. We continuously look for other ways to make this happen and our chemical production site in Italy managed to recycle 36% of their chemical waste externally.



In 2018, the Danish Environmental Protection Agency initiated a project to identify barriers and solutions to increase external reuse of waste. Lundbeck participated in this project and described waste streams that potentially could be reused by other companies. The preliminary results are promising and we expect external reuse of solvents to supplement our internal recovery in the future.

Circular economy has also been on the agenda in our pharmaceutical production in 2018. Our two sites in Denmark and France recycled respectively 43% and 79% of their non-chemical waste. By analysing waste streams and training employees in waste separation, we continuously identify new possibilities for increased recycling. We have reduced the need for packaging materials and increase recycling of packaging waste in the finished goods production. Our canteen has identified ways to ensure food waste can be used for producing biogas.

### First material environmental incident since 2005

Lundbeck began registering environmental incidents in 2005. Unfortunately, we experienced the first environmental incident with impact on the environment in 2018. A leak from a gasket in our pharmaceutical production in Denmark resulted in the release of 40 litres 2%-solution of an antidepressant (oral drops), which is not readily biodegradable. Immediately after the incident, a thorough root cause analysis and risk assessment was performed to prevent similar incidents. Improved handling procedures and spillage kits were implemented to prevent future release of liquids with adverse impact on wastewater treatment and the external environment. The risk assessment and preventive measures were approved by the authorities.

# KEY PERFORMANCE INDICATORS

We consider the data presented here key indicators for Lundbeck's sustainability performance in 2016-2018. Please visit [www.lundbeck.com/global/sustainability](http://www.lundbeck.com/global/sustainability) to obtain more detailed information and data from the current and previous years.

INDICATOR		2016	2017	2018
Finished goods production	Pieces	2,229,221,757	2,354,627,717	2,258,194,100
Chemical production	Tonne	403	494	339
Raw materials, organic solvents	Tonne	3,392	3,808	3,758
Water consumption	m <sup>3</sup>	320,990	349,943	374,406
Energy consumption	MWh	98,226	93,413	94,312
CO <sub>2</sub> emission	Tonne	19,943	17,244	15,969
Waste	Tonne	11,906	13,364	12,525
Waste water	m <sup>3</sup>	296,799	320,183	344,731
Incidents with an impact on the environment	Number	0	0	1
Work-related accidents with absence	Number	25	19	25
Frequency of lost time accidents	Frequency	7.3	5.9	7.5
Work-related diseases	Number	1	2	1
Internal audits conducted <sup>1</sup>	Number	156	216	226
External audits conducted <sup>2</sup>	Number	167	171	157
Compliance Hotline reports <sup>3</sup>	Number	13	20	15
Employees globally (yearly average) <sup>4</sup>	Number	5,120	4,980	5,060

<sup>1</sup> Sum of conducted and reported audits performed at Lundbeck headquarter functions and global affiliates (see page 8). Calculation method was changed in 2018, which led to inclusion of an additional 6, 20 and 19 internal audits in 2016, 2017 and 2018.

<sup>2</sup> Sum of conducted and reported audits performed at Lundbeck's suppliers and partners (see page 8).

<sup>3</sup> Reported concerns that involve legal, serious financial, reputational risks as specified at <https://www.lundbeck.com/global/compliance-hotline>

<sup>4</sup> Included in the review of the Annual Report.

## Independent Auditor's Assurance Report

### To the Management and stakeholders of H. Lundbeck A/S

We have assessed H. Lundbeck's *UN Global Compact 2018 Communication on Progress Report* ("the COP-report") and the *Health, Safety and Environment Data Overview – H. Lundbeck A/S – 2018* ("the HS&E-report") to provide limited assurance on selected data. Our assessment was performed in order to assess whether:

- the sustainability key performance indicators on page 13 in the COP-report,
- the proportion of the underrepresented gender at other managerial levels on page 9 in the COP-report and
- the data presented in the HS&E-report,

have been stated in accordance with the criteria defined by the reporting principles.

The above-mentioned reports cover Lundbeck's international activities from 1 January to 31 December 2018.

We express a conclusion providing limited assurance.

### Management's responsibility

The Management of Lundbeck is responsible for collecting, analysing, aggregating and presenting the information in the COP-report and the HS&E-report, ensuring that data is free from material misstatement, whether due to fraud or error. Lundbeck's reporting practice contains Management's defined reporting scope for each data type. Several reporting principles are described in the COP-Report, while others are described on <https://lundbeck.com/global/sustainability/environment/reporting>.

### Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the sustainability key performance indicators on page 13 in the COP-report, the proportion of the underrepresented gender at the other managerial levels on page 9 in the COP-report and the data presented in the HS&E-report. We have conducted our work in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit regulation to obtain limited assurance about whether the selected data is free from material misstatement.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by FSR - Danish Auditors (Code of Ethics for Professional Accountants), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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

Considering the risk of material misstatement, we planned and performed our work to obtain all information and explanations necessary to support our conclusion. We performed our on-site reviews at Lundbeck's Head Office in Valby, Denmark, in January 2019. Our work has included interviews with key

functions at Lundbeck, inquiries regarding procedures and methods to ensure that selected data and information have been presented in accordance with the stated reporting practice. We have assessed processes, tools, systems and controls for gathering, consolidating and aggregating the data in scope at Group level, performed analytical review procedures, and tested the data prepared at Group level for consistency with underlying documentation.

We have not performed site visits or interviewed external stakeholders, nor have we performed any assurance procedures on baseline data or forward-looking statements such as targets and expectations. Consequently, we draw no conclusion on these statements.

### Conclusion

Based on our work, nothing has come to our attention that causes us to believe that

- the sustainability key performance indicators on page 13 in the COP-report,
- the proportion of the underrepresented gender at other managerial levels on page 9 in the COP-report and
- the data presented in the HS&E-report,

have not been prepared in accordance with the reporting practice described.

Copenhagen, 31 January 2019

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Business Registration No. 33 96 35 56



Lars Andersen  
State-Authorised Public Accountant  
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